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OVERSIGHT OF CALIFORNIA HIGH-SPEED RAIL

(113–20)

FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON
RAILROADS, PIPELINES, AND
HAZARDOUS MATERIALS

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

MAY 28, 2013 (Madera, California)

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Committee on Transportation and Infrastructure



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Available online at: http://www.gpo.gov/fdsys/browse/
committee.action?chamber=house&committee=transportation

U.S. GOVERNMENT PRINTING OFFICE

81–259 PDF WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
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May 24, 2013

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SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM:	Majority Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE:	Subcommittee Field Hearing on "Oversight of California High Speed Rail"

PURPOSE

On Tuesday, May 28, 2013, in Madera, California, the Subcommittee on Railroads, Pipelines, and Hazardous Materials will receive testimony regarding the status of the California High Speed Rail Project (project). The project has fluctuated in its costs, completion dates, and its goals since 2008 and the witnesses will present testimony regarding updates on the project and some concerns that still remain.

BACKGROUND

The California High Speed Rail Authority (CHSRA) was created in 1996 as a state entity charged with developing a high-speed train system for the state. Its first plan for a train system was put forth in 2000, and the citizens of California approved bonding authority for the system in the amount of $9.95 billion through the Proposition 1A ballot measure in 2008. Proposition 1A allowed for $9 billion in general obligation bonds for pre-construction and construction of the high-speed train system and $950 million for capital improvements to existing passenger rail systems that would help riders connect to the high-speed train system. Proposition 1A also established certain requirements for the funding, including among other things that: (1) the train be an electric train capable of achieving sustained maximum speeds of 200 mph; (2) the train be capable of operating headway of 5 minutes or less; (3) that the train achieve specific travel times between each station (e.g., San Francisco to Los Angeles -- 2 hours, 40 minutes); (4) that there be no more than 24 stations; (5) that the routing follow existing corridors to the extent feasible; and (6) that it be built in useable segments.

In addition to Proposition 1A funds, the CHSRA has been awarded $3.896 billion ($2.952 billion from the American Recovery and Reinvestment Act, and $945 million from the FY 2010 Appropriations bill) from the High-Speed Intercity Passenger Rail (HSIPR) grant program. The CHSRA plans to use its federal funds and a portion of the Proposition 1A funds to

break ground on the initial construction segment (ICS) of the project from north of Fresno to north of Bakersfield (see attached map) this summer. Beyond the ICS the project has no committed funding.

Fluctuating Costs

The project has undergone a number of different business plans with costs that have varied greatly over time. The first estimate contained in the 2000 Business Plan was $25 billion with a completion date in 2020. Then on November 7, 2008, three days after Proposition 1A was approved by California voters, CHSRA released its 2008 Business Plan estimating the project would cost $33 billion, with $12-16 billion in federal funds, and a completion date of 2020. One year later in 2009, the estimate jumped to $43 billion, assuming $17-19 billion in federal funds, with a completion date of 2020. In November 2011, the CHSRA's Draft 2012 Business Plan had the costs skyrocket to a range of $98-118 billion, with approximately $52 billion in federal funds, and a delayed completion date of 2033. After significant public criticism, the CHSRA adjusted its costs downward in a 2012 Draft Revised Business Plan to $68 billion, with $42 billion in federal funds, and a completion date of 2028. While, on its face it appears the CHSRA was able to save $30 billion in costs, the CHSRA essentially revised its plan to a "blended approach" that did not assume 200 mph capable infrastructure from end-to-end, but instead used shared infrastructure in the North and South ends. The Revised 2012 Business Plan admits were it to complete a full-build option for Phase I of the project, the cost would be $91.4 billion.[1]

The Peer Review Group created by Proposition 1A reviewed the CHSRA's Revised 2012 Business Plan and its costs, noting that "[c]ost estimating outside the Valley remains less certain because the scope and alignment are still in flux. ... [and] experience thus far has shown that cost estimates tend to grow. There is certainly a possibility that this trend will continue."[2] Furthermore, the Peer Review Group noted a "significant concern" that overall project costs are based on optimal assumptions, and "[i]f these assumptions turn out to be false, capital costs and construction times will increase due to schedule changes alone."[3] Therefore, it is quite likely the costs could increase above the $68.4 billion figure estimated by CHSRA in its 2012 Revised Business Plan.

In a recent Government Accountability Office (GAO) review of the project, the GAO echoed some of the Peer Review Group's concerns, finding that "we could not determine whether the [cost] estimates were unbiased. ... To help ensure an unbiased estimate, the Cost Guide recommends conducting a systematic analysis of the potential risks to the project and their likelihood of occurring—called a risk and uncertainty analysis. A risk and uncertainty analysis is also a best practice for developing a credible cost estimate...."[4] Due to the lack of a risk and uncertainty analysis, GAO, like the Peer Review Group, explained "it is not possible to determine how the cost estimates might be affected by such things as delays in acquiring

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[1] CHSRA, "High-Speed Rail Program Revised 2012 Business Plan," April 2012, p. ES-14.
[2] Letter to Hon. Darrel Steinberg, Senate President Pro Tem, et al. from Will Kempton, Chairman, California High-Speed Rail Peer Review Group, dated May 18, 2012, p. 6 (Peer Review Letter).
[3] Id.
[4] GAO, "California High-Speed Passenger Rail: Project Estimates Could Be Improved to Better Inform Future Decisions," March 2013, pp.19-20 (GAO Report).

necessary rights-of-way or having to pay more for property to keep the project on schedule." Finally, GAO found that "[w]ithout a risk and uncertainty analysis, we cannot be assured that the contingencies are accurately calculated, and more importantly, what level of confidence we can have in the cost estimates."[5]

California High-Speed Rail Project's Rising Costs Chart (Phase I)			
Plan or Report	**Estimated Costs**	**Federal Share**	**Completion Date**
2000 CHSRA Business Plan	$25 billion	NA	2020
2008 CHSRA Business Plan	$32.8-33.6 billion	$12-16 billion	2020
2009 CHSRA Business Plan	$42.6 billion	$17-19 billion	2020
Draft 2012 CHSRA Business Plan	$98.5-117.6 billion	$52 billion	2033
2012 CHSRA Business Plan	$68.4 billion	$42 billion	2028

Funding Sources

Even if the CHSRA's cost estimates are precise and set in stone, its funding sources are not. Based on the $68.4 billion cost, CHSRA is planning on $55 billion in public-sector funding and $13 billion in private-sector funding. Currently, the CHSRA plans to use $8.2 billion of its Proposition 1A bond funding to construct the project. In addition, the majority of the federal funding provided for the project, approximately $3.5 billion, will be utilized in California's Central Valley on the Bakersfield-Fresno-Merced sections of the Phase 1 project.[6]

As noted above, of the $55 billion in public funds for the project, $42 billion is expected to come from the federal government, of which CHSRA only has $3.5 billion. As the GAO noted, "the remaining $38.7 billion in federal funds have not been identified in federal budgets or appropriations but would amount to an average of more than $2.5 billion annually over the life of the project's construction."[7] To put that number in perspective, the Department of Transportation's New Starts transit-funding grant program has averaged $1.6 billion per year since 2008, while Amtrak has averaged about $1.5 billion per year since 2008. Though CHSRA notes that it will not need any further funding from the federal government until 2015, both the House and Senate budgets do not include any money for the HSIPR program over the next ten years, much less anything for the project specifically. Even the President's budget, which includes HSIPR funding, does not include any money specifically for the California project. Indeed, the Peer Review Group recognized the uncertainty of the funding, noting that the assumptions "would require the creation of a new federal program to support a national annual HSR program ... [and e]nactment of such a program will clearly be a challenge in today's constrained budget climate." These facts lead the GAO to conclude that "the largest block of expected funding for the California project is uncertain."[8]

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[5] Id. at 20.
[6] The remaining $400 million for construction of the underground train box at the Transbay Terminal in San Francisco, the north end terminus of Phase 1.
[7] GAO Report, p. 39.
[8] GAO Report at p. 40.

If additional public funding does not materialize, the CHSRA has identified the State's newly implemented cap-and-trade program as a potential source of revenue for the project. However, as the GAO has explained, there are a number of challenges that remain with using this funding as a source. GAO noted three specific issues: (1) uncertainty of the amounts that could be raised from the program; (2) CHSRA will have to compete with other State funding priorities and cannot be assured any funding; and (3)the project may not be eligible to receive cap-and-trade funding.[9] These uncertainties about back-up funding create further risks for the project going forward.

Moreover, there is no private-sector funding committed to the project. Indeed, the 2012 Revised Business Plan does not envision any private sector funding until after the initial operating segment (IOS) is complete in 2022. The 2012 Business Plan assumes that once the IOS is operational, it will turn a profit in its first year, and private sector financing will then be raised through a concession. Because private-sector financing is dependent upon operational profitability, the GAO found that "the Authority may face challenges in attracting private-sector funding if its operating cost estimate and ridership forecasts prove to be optimistic."[10] As to those operating and maintenance costs, the Peer Review Group has noted that "[t]he existing model is relatively simple and does not reflect the relationship between costs and the level of operations as well as it could...[and] the overall results of the model appear optimistic[, and i]f the Authority's model is optimistic, the private sector will be less able to augment public investment."[11] Given the questions and uncertainties regarding the costs of the project, as a whole, it is unclear whether the private sector funding source will ever be realized.

Routing and Alignment

While the CHSRA has announced it wants to break ground on the first portion of the Fresno to Bakersfield section of the project in July 2013, it has yet to purchase all of the land to begin that construction. Indeed, though CHSRA noticed its award of the first construction package on May 17, 2013, it is unclear through which parcels of land the CHSRA plans to route this first construction segment. Much of the proposed land parcels outside of the urban areas, are prime agricultural land valued at $28,000 to $33,000 per acre. While Proposition 1A stated that the project should reduce impacts on communities by following existing transportation or utility corridors to the extent feasible, such could very well not be the case on the agricultural lands impacted by this first construction segment. The CHSRA plans to settle most real estate purchases through private contract, but it does have the right of eminent domain to take people's private property. The applicable State laws will dictate the process for each party's appraisals and ultimately require a judicial determination of what constitutes just compensation. Depending on the number of disputes and right of way to be condemned, this uncertainty could delay the project and increase costs further.

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[9] Id. at p. 41.
[10] Id. at p. 42.
[11] Peer Review Letter, at p. 8.

INVITED WITNESSES

Mr. Dan Richard
Chairman of the Board
California High Speed Rail Authority

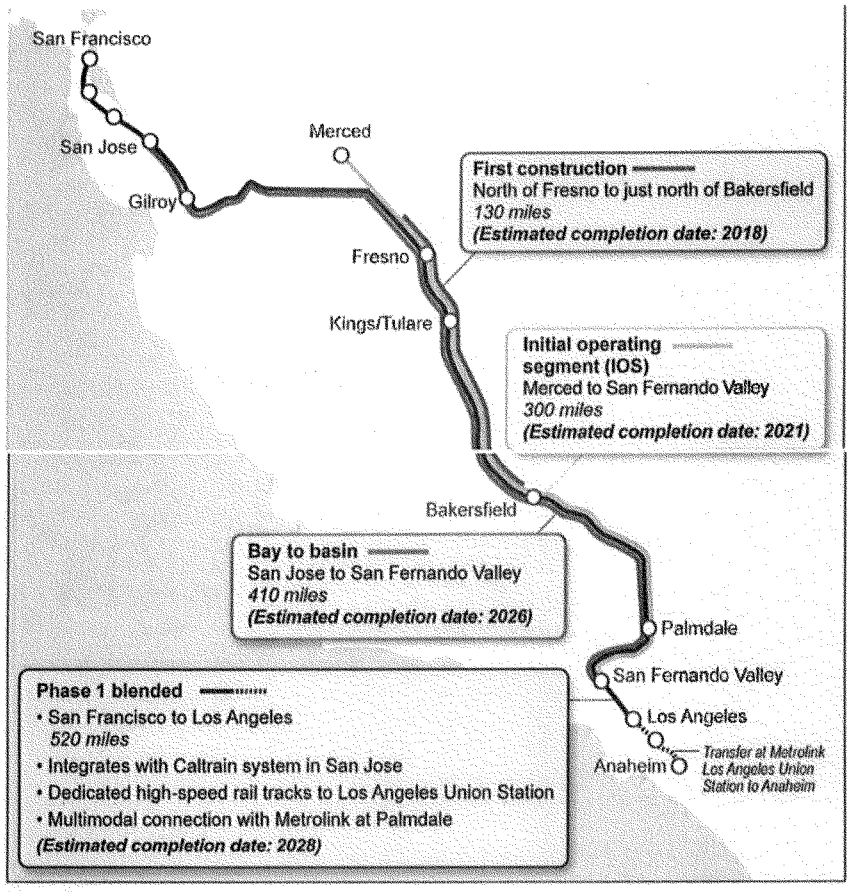
Mr. Kole Upton
Vice President
Preserve Our Heritage

Mr. Doug Verboon
Chairman
Kings County Board of Supervisors

Ms. Anja Raudabaugh
Executive Director
Madera County Farm Bureau

Mr. Louis S. Thompson
Chairman
Peer Review Group for the California High-Speed Rail Project

Mr. Al Smith
President and CEO
Fresno Chamber of Commerce



Sources: California High Speed Rail Authority and GAO.

OVERSIGHT OF CALIFORNIA HIGH-SPEED RAIL

TUESDAY, MAY 28, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS,
COMMITTEE ON THE TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:10 a.m., in the Madera Community College Center, Auditorium Room AM120, Madera, California, Hon. Jeff Denham (Chairman of the subcommittee) presiding.

Mr. DENHAM. I ask unanimous consent, members not on the committee be permitted to sit with the committee at today's hearing and ask questions.

Without objection, so ordered.

First, let me thank the Madera Community College for hosting the subcommittee this morning, and everyone here for helping coordinate this very important hearing. Second, I would like to welcome our guests to lovely Madera County and thank them for agreeing to testify here today.

This hearing is an oversight hearing on the California high-speed rail project, and I have several concerns I look forward to exploring with the witnesses.

In 2008, the voters of California approved a $9.95 billion ballot measure, Prop 1A, for this project. I was serving in the State Senate at the time and voted in favor of the proposition. What was sold to voters was a $33 billion project that would receive equal parts financing from the State, Federal Government and private investors.

Voters were told that they would use existing rail corridors and rights-of-way so that we would not destroy valley farm communities and agricultural production. The entire track was to be electrified, and the project was to be built in segments that would be profitable and usable individually. The project has changed significantly since 2008, so much so that it is unclear if it conforms to the requirements of Prop 1A.

The first construction package will not be electrified, will not be a usable segment, may not meet the time requirements for passenger trips, and uses money designated for high-speed rail on conventional train upgrades. Moreover, at the time of Prop 1A, the project was estimated to cost $33 billion and be completed by 2020. Since then, the project has undergone significant fluctuations in cost and completion date to a high in 2011 of $98 billion, with a

completion date of 2033, and now a $68.4 billion project with a completion date of 2028.

My concerns about these cost fluctuations were confirmed last year when I asked Secretary LaHood at our hearing about whether the current cost was the final cost for the project. And he said, "It's going to be expensive to build the high-speed rail. If that is the figure today, that is the figure today. It'll be different tomorrow." That is just not something that we have agreed to in California.

Secretary LaHood, in my view, spoke more truth than he may have realized as the GAO recently found that, "We could not determine whether the cost estimates were unbiased because the California High-Speed Rail Authority did not conduct a risk and uncertainty analysis, which not only protects against bias, but also ensures contingencies are accounted for in the costs." Simply put, this is a key factor in ensuring cost estimates are as accurate as possible.

While the costs will likely continue to fluctuate, the project has not established any funding sources beyond the $3.8 billion in Federal tax dollars and the Prop 1A money. Of the $68.4 billion cost, the Authority assumes $55 billion will come from public funds, of which $42 billion will be Federal taxpayer dollars. Therefore, the Authority expects an average of more than $2.5 billion a year from the Federal Government to complete this project. This annual amount is more than Amtrak's annual appropriations for its entire system nationwide.

Both the GAO's recent study of the project and the Peer Review Group's review of the 2012 business plan has expressed concerns with the uncertainty of such future funding, given the current budgetary climate. Even the State's backup funding plan, to use the Cap and Trade Program, has been recognized as having its own set of challenges, leading the GAO to conclude the funding is uncertain.

Furthermore, in 2008, we, the voters of California, were promised private sector investment in this project. Now in 2013, with the project nearly doubled in cost, there is no private money at the table. Instead the 2012 business plan assumes $13 billion in private sector investment, but not until 2022 when the initial operating segment is complete. The plan assumes once the IOS is complete, it will turn a profit in 1 year, and so much so that the Authority will be able to sell an operating concession to raise private funds.

These are assumptions that are based upon highly speculative estimates, which have been criticized in almost every official review of this project. The Peer Review Group, created by Prop 1A, has noted that the existing model is relatively simple and does not reflect the relationship between costs and the level of operations as well as it could. And the overall results of the model appear optimistic. And if the Authority's model is optimistic, the private sector will be less able to augment public investment.

Furthermore, while the funding sources are each uncertain at best, the Authority also promised in 2008 that the project would follow existing transportation and utility corridors to the greatest extent possible. Instead, the first construction package will traverse prime agriculture land. This land is valued at a range from $28,000

to $33,000 per acre. I am not sure if this is the amount the Authority budgeted for, but if it is not and they do not pay such valuations, it could lead to further delay through continuous eminent domain proceedings.

The Authority has failed to disclose precisely where the track will be laid, roughly a month from when the Authority intends to break ground, and no right-of-way has been acquired. No agreement is in place with freight rail regarding its assets, and land owners still do not know if train tracks will be coming straight into their living room.

I want to conclude my statement by reiterating that I support the concept of high-speed rail. We are seeing it elsewhere around the world. We want to make sure that if it is done here in California, it is done right.

What we have here today in no way reflects the promise that was made in 2008 to voters. The Authority has failed to produce a $33 billion project, failed to reach agreement on utilizing existing transportation corridors, will not deliver fully electrified high-speed rail infrastructure, and still has not settled on a precise route 5 years after Prop 1A was passed. The Authority is asking the Federal Government to pick up a $42 billion tab on a project that was approved by California taxpayers.

Obviously there have been a lot of questions from valley residents, as well as California and the Nation abroad. We are expecting to get a lot of those answers here this morning, especially as it pertains to this initial operating segment and the overall Prop 1A that was passed by voters.

I look forward to hearing from our witnesses on these topics. I now call on Mr. Costa for an opening statement.

Mr. COSTA. Thank you very much, Chairman Denham, and Congressman Valadao. It is a pleasure for me to join you and the many constituents we have here at the community college, which is a terrific asset for the people of our valley. It demonstrates an investment that Californians have made over generations, investments in our education system, investments in our transportation system, and investments in our water system.

We in the San Joaquin Valley have faced many challenges since our forebears stumbled across the Rockies and found fertile soil when they were looking for gold, and now we grow much of the world's food supply. I think we are all proud of that. We all reflect generations of families that have come here seeking a better life. Certainly that is the story of my family.

The fact is that today we are living off the investments that our parents and that our grandparents made in California as it relates to our transportation system, as it relates to our water system, as it relates to our schools. And it is time, I believe, that our generation step up and respond to the challenges that our parents and grandparents made. By outsmarting and out-innovating whatever stood in our parents' and grandparents' way, we must do it in the same way because it is the greatness of America. Together we helped build one of the world's largest and most complex water delivery systems, but today it is not sufficient to apply to the needs of California and the 21st century. That is why I am working so

hard with many of my colleagues to invest in California's long-term water needs.

We also created a world-class higher education system, but it, too, needs investments. And clearly, we would not be the Golden State that we are if it were not for our highways, our ports, and harbors, and airports. But yet we need to invest in those transportation systems as well because they are insufficient for the growth of California that will have 50 million people. Today we have 38 million people. We will have 50 million people by the year 2030 and beyond.

So clearly what I am laying out there is that California faces new challenges, but they are some of the same challenges our parents and grandparents faced when they first came to California, when they were raising their families, when they were starting their farms and businesses, and trying to create a better California as a greater, better United States. California obviously has a transportation system today that most experts will agree is inadequate to serve our long-term needs, just as our water system is inadequate.

In order to accommodate the demand placed upon our State, the question is not should we invest. The question is how we should invest. The facts are clear: congested highways, especially 99, span the entire State, but yet as we get money at the local, and State, and Federal level, we continue to try to improve Highway 99, not too far from where we are between Chowchilla, and Madera, and Merced. We are investing millions of dollars that have taken 1,300 acres of prime agricultural land, but we do not hear much about that.

One out of every four flights between Los Angeles and San Francisco, which is the busiest short home market in the United States, are late by close to an hour or more. And we know the population demands in the Bay area and southern California as well as in our valley will only continue to grow. Therefore, the transportation challenges will only get worse if we do not make the investments.

High-speed rail is a response to the challenges, and as the chairman said, we see advances of high-speed rail in Asia, in Europe, and in parts of this country because it is a good part of an intermodal transportation system, especially between one and 400 miles in distance. If you are going less than 100 miles, you should ride. If you are going more than 400 miles in distance, you take a plane. But where high-speed rail has been most successful in other parts of the world is in that niche, and that niche fits California with the population densities that we have today, something highways and airports cannot accomplish.

From the time the first shovel hits the ground later this year, the project will have, I think, a true economic game changer to this State and to this valley. With the high unemployment that we have, we desperately need thousands of jobs that this system, I think, is going to create over the long term. To illustrate the point, we have letters of support here that, Mr. Chairman, I would like unanimous consent to enter into the record from local elected officials, from chambers of commerce, from school board members, and from citizens. Without objection.

Mr. DENHAM. Without objection.

Mr. COSTA. Thank you very much.

[The letters of support referenced by Hon. Costa can be found on page 256.]

Mr. COSTA. Agriculture is something that we in this valley feel very, very strongly about, and you are looking at a third generation family farmer. I know how hard our farmers, dairymen and women, and ranchers work. It is literally and figuratively how the butter on my bread got put. And so any major investment in any major public works project cannot come without the input, without the mitigation and the addressing of our major economy, and that is agriculture.

The truth of the matter is that this is an important part of our long-term investments, but we must mitigate and we must protect prime agricultural land whenever possible, just as we did with the expansion of 99, just as we have done with the expansion of 198, and any other transportation corridor. Building these major projects is obviously not without controversy, and that is why I joined with Chairman Denham in asking the Government Accountability Office, the Government's watchdog, to audit the project. After more than a year of review, the GAO reported that the Authority followed best practices in each of the following areas: ridership study, revenue studies, cost estimates, and the analysis of the economic impact of the project.

The Authority, let us be clear, as far as I am concerned, has not done everything right, not by a long ways, but they have gotten their act together in the last 18 months. I was as concerned as many of my colleagues were about the lack of effort in coming together, but I think they have come a long ways. The GAO's report shows that what we have begun to notice over the past year, that there they are putting things back in place, and they are listening.

Let me close. Like our predecessors before us, we can and we will solve the challenges before us today. People can always say it is not the right time, it costs too much. I wonder if President Lincoln were living together in the middle of the Civil War, perhaps the greatest difficulty in our Nation's history, the Nation being torn apart, inflation running rampant, trying to figure out how to finance the Civil War, and in 1862, he says we are going to build a railroad across the country. You know, today with the talking heads, you know, all the news, I can see us: Abe, you know, you got to wait until your second term before you build this railroad. Well, the fact is he had boldness, he had vision, and that has been the spirit of America for our entire history.

I look forward to hearing from our witnesses, Mr. Chairman, and trying to ensure that we provide the proper oversight, it is appropriate that we do so, and that we make sure that we try to do our very, very best in this effort. Thank you.

Mr. DENHAM. Thank you. I now call on Mr. Valadao for an opening statement.

Mr. VALADAO. Thank you, Chairman Denham, and thank you, Congressman Costa, for allowing me to come to your district.

Mr. COSTA. You are welcome any time.

Mr. VALADAO. Good morning. My name is David Valadao. I represent California's 21st Congressional District. I have only been in

Congress for about 5 months, but I served 2 years before that in the California State Legislature.

The last 2 years have been kind of a surprise for me because when this first came before me, I actually did not have a problem with the high-speed rail in general. It became a serious issue when the money came from the Feds, when the $3 billion, and then started really rushing the program forward.

My constituents started to complain once more details came out, when they started hearing about losing their Amtrak station in their communities, like my Corcoran's and my Wasco's, and Hanford. It really started to scare those constituents because it is a way that they were able to get up to Hanford or Fresno to see doctors.

We have got obviously farmers and businesses that are concerned with the movement, but we have also got a lot of concerns. When I hear from teachers and public safety officials and we talk from all the different Government agencies where we have seen so many cuts and so many things that affected people in their everyday lives. And then they think, well, we are going to spend all this money on this project. And so it started to turn me more and more in the direction where I am now where I am not a fan of the project.

Then you see a project that I truly do believe that was flawed from the day it was first put on the ballot. When you set the ideal that the project, the train has to go a certain speed, has to between certain communities and at a certain amount of time, I think you started to define it in a way that is going to be tough to live up to. And I really do believe this project is just off on the wrong foot and continued on the wrong foot from the get-go.

When I look at infrastructure around the United States and what is important, I do believe that infrastructure like rail is important. I do believe that infrastructure like ports and freeways are important. But I do believe they are important for two reasons, one, transport goods and two, transport people. And when we look at how we are going to improve our economy here, and it can be from manufacturer to agriculture to anything, you produce something, you transport it, and you bring dollars back. And that is how you revive our economy.

And that is why I do not see high-speed rail as a future for us just because we only transport people. And when you look at how it is going to affect my district with my constituents, and they talk about traffic and all these other things, I mean, L.A., San Francisco, I will let their representatives worry about them. I am concerned with Central Valley, and that is where I have always put my focus, and that is where is where I will continue to put my focus.

So I look forward to hearing the testimony and coming out with some good questions and answers. So I appreciate the opportunity, and thank you, Mr. Chairman.

Mr. DENHAM. Thank you. Let me quickly discuss some ground rules of today's hearing. First of all, let me invite all those in the back of the room, ladies and gentlemen, we have plenty of seats up here in front if you would like to come down and grab a seat. We

expect this hearing to be about 2 hours long. We will have several rounds of questioning.

The way that we question is the green light, you have 5 minutes for each Member to ask questions. The yellow light, just like a stoplight, it is kind of a yield, start slowing things down. And obviously the red light is stop your testimony and we will move on to the next question.

Our goal here is to ask as many questions as possible so that we can get not only to the transparency, but the accountability to voters and taxpayers on where this project is and what it looks like in the future.

I would like to welcome our witnesses here today. Thank you for being here. I ask unanimous consent that our witnesses' full statements be included in the record.

Without objection, so ordered.

Since your testimony has been made part of the record, the committee requests that you limit your summary to 5 minutes.

First on our panel is Mr. Dan Richard, chairman of the board of directors, California High-Speed Rail Authority. Welcome. I would like to first say that as we have looked at this entire project, it has changed many times, but the leadership has also changed many times. We appreciate your openness and your ongoing work with this committee and Members of Congress as well.

Mr. Kole Upton, vice president, Preserve Our Heritage; Mr. Doug Verboon, chairman, Kings County Board of Supervisors; Ms. Anja Raudabaugh, executive director, Madera County Farm Bureau; Mr. Louis Thompson, chairman, California High-Speed Rail Peer View Group; and Mr. Al Smith, president and CEO of the Greater Fresno Area Chamber of Commerce.

Welcome, and, Mr. Richard, you may start with your opening statement.

TESTIMONY OF DAN RICHARD, CHAIRMAN OF THE BOARD, CALIFORNIA HIGH-SPEED RAIL AUTHORITY; KOLE UPTON, VICE PRESIDENT, PRESERVE OUR HERITAGE; DOUG VERBOON, CHAIRMAN, KINGS COUNTY BOARD OF SUPERVISORS; ANJA RAUDABAUGH, EXECUTIVE DIRECTOR, MADERA COUNTY FARM BUREAU; LOUIS S. THOMPSON, CHAIRMAN, CALIFORNIA HIGH-SPEED RAIL PEER REVIEW GROUP; AND AL SMITH, PRESIDENT AND CEO, GREATER FRESNO AREA CHAMBER OF COMMERCE

Mr. RICHARD. Thank you. And, Mr. Chairman, before I start, you sent me a letter last week. We have specific responses to that letter, and so if that is possible to make that a part of the record, we would appreciate the chance to do that.

Mr. DENHAM. We will add to that to the record without objection.

[The information follows:]

CALIFORNIA
High-Speed Rail Authority

BOARD MEMBERS
Dan Richard
CHAIRPERSON
Lynn Schenk
VICE CHAIRPERSON
Thomas Richards
VICE CHAIRPERSON
Jim Hartnett
Katherine Perez-Estolano
Michael Rossi
Thomas J. Umberg
Jeff Morales
CHIEF EXECUTIVE OFFICER

May 28, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Denham:

I am writing in response to your letter, dated May 21, 2013, in which you raised several questions regarding the high-speed rail project in advance of the *Oversight of California High-Speed Rail* hearing by the Subcommittee on Railroads, Pipelines, and Hazardous Materials (Subcommittee).

First, let me say that I appreciate the chance to formally respond and hope the answers provided below help address the Subcommittee's questions. We appreciate the Subcommittee's oversight responsibility and welcome an ongoing dialogue between the Subcommittee and the High-Speed Rail Authority (Authority) so that we may keep the Subcommittee as informed as possible as we implement the project. I have summarized your questions below and provided responses immediately following. In addition, there are several attachments enclosed with this letter that address some of your questions in more detail.

> *First, the California High-Speed Rail Authority received $3.897 billion in federal tax dollars…please be prepared to discuss a detailed accounting of where these dollars have been spent or where they will be spent…*
>
> The Authority has been awarded $3.48 billion for work on the high-speed rail project as managed by the Authority. An additional $400 million was awarded to the Transbay Joint Powers Board for work on the Transbay Terminal.
>
> In July 2012, the California Legislature appropriated all remaining federal funds for project planning and construction as part of the 2012-13 State Budget Act not appropriated in prior budget acts. This appropriation amounted to approximately $3.29 billion of the remaining federal funding awarded to the Authority. Of that amount, $3.24 billion was appropriated for acquisition and construction in the Central Valley to be matched by funds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A).
>
> Of the $3.48 billion awarded to the Authority, approximately $146 million has been expended for environmental review, preliminary engineering and design, and other related work. Funding for other purposes has not been expended, but will ultimately be used consistent with the tasks identified in the Authority's grant agreement with the Federal Railroad Administration (FRA), most notably construction. Attached is a breakdown of

EDMUND G. BROWN JR.
GOVERNOR

expenditures to date by task consistent with the Authority's grant agreement with the FRA (Attachment A).

Second, the Authority has identified the Initial Operating Segment (IOS) – South as the preferred initial operating section... We are interested in knowing down to the parcel, where the Authority plans on constructing for the entirety of Phase I of the project.

On January 14, 2013, the State Public Works Board (PWB) approved the site selection of 356 parcels to be acquired in order to commence construction on the Merced to Fresno section of the project. These parcels provide a corridor extending approximately 24 miles from Avenue 17 east of the City of Madera to Santa Clara Street in the City of Fresno, as identified in the Authority's preferred alignment, for which a California Environmental Quality Act (CEQA) Notice of Determination (NOD) was filed with the State Clearinghouse on May 3, 2012, and the FRA issued its Record of Decision (ROD) on September 18, 2012. These actions authorize the Authority to begin negotiations with the impacted land owners for property acquisition. Attached, please find the description and location of each parcel as identified and approved by the PWB. (Attachment B)

Regarding the identification of the parcels needed for the entirety of the Phase I program, the Authority has not yet finalized that information as the environmental process is ongoing. Due to the environmental process and the requirements of environmental law, we are not in a position to speculate as to which alignment(s) may ultimately be approved. However, as the environmental process continues, the Authority will keep the Subcommittee apprised as the PWB approves additional parcels for acquisition.

Third, related to the previous question... What plans does the Authority have for the acquisition process to ensure that it doesn't lead to dramatic cost over runs and project delays?

A parcel by parcel right-of-way (ROW) acquisition plan was provided to the five construction teams as part of the Request for Proposals (RFP) that reflected delayed access to parcels and required the bid teams to build their schedule and bid around these potential delays.

Recently, acquisition work was approved to begin by the FRA and four ROW acquisition teams under contract have started pursuing ROW acquisitions. As new information becomes available, the ROW acquisition dates are continually refined and tracked, and trending data is gathered to provide more accurate forecasts for incorporation into future contracts.

In addition, ongoing coordination efforts continue with PWB, the California Department of General Services, and the California Department of Finance to streamline the acquisition process wherever possible.

Fourth, cost continues to be a concern to me... I would like to discuss what steps you think are necessary to bring the costs under your current estimates...

First, as I outlined in my written testimony, it is critical to have credible estimates on costs and ridership. The Government Accountability Office (GAO), after a rigorous year-long review, confirms the Authority's methods are appropriate and its estimates in the 2012 Business Plan are reasonable. Second, in the 2012 Business Plan, we redefined our approach

to implementing the system in order to bring down the cost, provide immediate benefits to the taxpayers, and improve integration between the high-speed rail system and California's existing transportation infrastructure through a statewide rail modernization program. By developing partnerships with existing transportation agencies, the "blended" system brought the overall cost of the high-speed rail system down by close to $30 billion.

Third, we have recruited a world class team at the Authority to manage the implementation of the program. A critical member of that team is our Chief Program Manager, whose key responsibility is to seek cost reductions through value engineering and reconsideration of design standards. Fourth, as you are aware, we are utilizing design-build procurement for the project, which is a means of seeking efficiency and finding alternative approaches and designs. Additionally, we are encouraging competition through our procurement strategies. Fifth, we look to the independent Peer Review group as a sounding board and source of ideas for refinements in the program to help cut costs. Sixth, we are working with experts from around the world, including through working agreements with foreign governments to capture and utilize best practices for high-speed rail projects. Seventh, we are revising our contracts with regional consultants and our Project Management Team to include more performance criteria, including cost containment and reduction. Eighth, we continually work with our regional agency partners to find further opportunities for efficiencies and cost reduction. The bottom line is we are constantly working to implement the high-speed rail program with a direct eye to achieving efficiencies, controlling costs and saving taxpayers money.

Fifth, I remain concerned about the lack of interest from private investors...I'm looking for investments in the project seeking some sort of return, not just private companies bidding to do work paid for by the taxpayers.

The general approach to private sector investment is the same today as it was when AB 3034 was passed by the California Legislature and put on the ballot as Proposition 1A. Since that time, we have worked to refine the program to position it for effective and significant private sector investment. As outlined in my written statement, to understand the private sector's specific interest in this program, the Authority has had extensive input from and discussions with potential private sector participants. In 2011, the Authority issued a Request for Expressions of Interest (RFEI) and received more than 1,100 responses. The responses identified the capability and interest of private entities related to development, financing, operations, project scale, risk appetite, and other factors.

Following up on the results of the RFEI, in January 2012, the Authority met with eight infrastructure investment firms, which confirmed their interest in investing in the program. We also had extensive discussions regarding the appropriate timing for private sector investment.

Elements of cost, schedule, and delivery risk are already being transferred to the private sector through the use of design-build contracts for the construction that will be starting soon here in the Central Valley. As the system is further developed, the Authority will look to increase its transfer of risk to the private sector by incorporating an operating performance element. The Authority will continue to assess private capital markets, as market conditions, financing tools, and expectations change over time.

Finally, as part of the oversight of ongoing operations...I am interested in why the winning bid received the lowest technical score of all the bidders, and why – and by whom – the decision was made to change the qualifications that went into the award.

In November 2011, the Authority issued a Request for Qualifications (RFQ) from potential bidders. Based on those submissions, five teams were reviewed and determined to be fully capable of meeting all legal and technical requirements to perform the work on the project. The Request for Proposals (RFP) was subsequently released in March 2012, inviting the five teams to prepare and submit formal proposals for Construction Package 1 (CP1).

As is typical in design-build procurements, the Authority and the five potential bidders went through an iterative process, in which the bidders raised questions and concerns about particular provisions of the RFP, and the RFP was then modified through addenda. For the RFP for CP 1, the Authority issued nine addenda over an eight-month period. The changes included in these addenda ranged from highly detailed technical clarifications to broader issues relating to liability and the manner in which the Authority would evaluate and score the proposals. Each addendum was reviewed by the Authority's legal counsel and the Office of the Attorney General, approved by the Federal Railroad Administration, and published on the Authority's website available to public review and inspection. One of these addenda, Addendum 4, required the Authority to open the bids from all five teams as long as each bid was technically sound.

After the five proposals were submitted to the Authority on January 18, 2013, there were two separate reviews of the technical portions to ensure that all criteria and requirements were met and that the proposers had demonstrated full capability to deliver the project. Only after those reviews were completed did the Authority open the price component of the bids, in accordance with the procedures established through the RFP process.

On April 12, 2013, the Authority identified Tutor/Perini/Zachry/Parsons, a Joint Venture, as the best scoring team for the design-build contract for CP 1 from Madera County to Fresno, the first construction segment of the high-speed rail system. On May 17, 2013, as consistent with the procurement process, the Authority issued the notice of intent to award the contract to Tutor Perini/Zachry/Parsons.

The Authority's responsibility is to deliver the high-speed rail program in an open, competitive manner, and to do so at best value for the nation's taxpayers. We are committed to a transparent process as we work to plan, design, build, and operate the high-speed rail system. Thank you again for the opportunity to address some of your questions and concerns. I look forward to working with you and the Subcommittee moving forward. Please contact me directly if you wish to discuss any of these issues further.

Sincerely,

Dan Richard
Chair, Board of Directors
California High-Speed Rail Authority

Attachments

Attachment A

Grant/Cooperative Agreement Payment Summary Sheet	
Task/Activity/Vendor	Total Requested FRA Share to Date
Task 1 Environmental Review	
Task 1.1 Regional Consultant Project Management	$ 12,699,042.05
Task 1.2 Regional Consultant Public / Agency Participation	$ 6,484,690.25
Task 1.3 Alternatives Analysis	$ 2,063,466.98
Task 1.4 EIR / EIS Analysis	$ 20,322,490.13
Task 1.5 Draft and Final EIR / EIS	$ 7,160,422.83
Task 1.6 Certification of EIR / EIS and ROD	$ 2,219,697.96
Task 1.7 Program Management	$ 10,731,781.71
Task 2 PE 15% and 30% Design	
Task 2.1 Regional Consultant PE	$ 44,962,654.06
Task 2.2 Program Management	$ 8,438,534.29
Task 2.3 PMT Engineering	$ 8,333,153.34
Task 3 Other Related Work	
Task 3.1 Regional Consultant Station Area Planning	$ 1,704,819.37
Task 3.2 Regional Consultant ROW Work	$ 7,418,155.72
Task 3.3 PMT ROW Work	$ 505,146.47
Task 3.4 Ridership Forecasting	$ 3,660,801.66
Task 3.5 Construction Planning / Procurement Support	$ 9,196,584.31
Task 3.6 Station Area Planning	$ -
Task 3.7 LA Union Station	$ -
Task 4 Project Admin (SWCAP)	$ -
Total	**$ 145,901,441.12**

Attachment A

HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
MADERA AND FRESNO COUNTIES

AVENUE 17-AVENUE 7	Parcel Number	Parcel Number
Parcel Number	035-162-036	048-200-008
037-030-006	035-162-037	048-200-006
037-030-007	035-171-001	AVENUE 7 TO SR-41
037-030-008	035-171-011	048-200-007
037-030-012	035-171-012	048-270-009
037-030-013	035-171-003	048-270-008
037-030-016	035-171-013	504-010-01
037-060-016	035-171-005	504-130-22
037-060-017	035-211-006	504-130-20
037-060-018	035-212-002	504-130-08
037-060-021	035-232-002	504-010-15
037-060-022	035-232-003	504-010-16
037-111-023	034-190-031	504-050-34
037-111-024	034-210-045	504-070-33
037-111-025	034-210-049	504-070-41
037-111-032	034-210-047	504-070-51
037-111-033	047-070-013	504-070-52
037-112-003	047-070-014	504-070-39
037-112-004	047-070-007	504-106-02
035-030-015	047-080-001	504-106-04
035-030-003	047-130-026	504-106-05
035-030-016	047-130-016	504-060-73
035-030-017	047-130-027	504-060-71
035-091-016	047-130-028	504-060-70
035-092-001	047-130-029	504-060-75
035-092-002	047-130-030	504-140-11
035-092-010	047-240-006	504-091-02
035-092-009	047-240-007	504-091-03
035-092-008	047-240-004	504-091-04
035-092-012	047-240-003	504-080-47
035-092-011	047-320-009	504-080-66
035-092-013	047-320-010	504-080-67
BNSF Parcel Between 035-	047-320-005	504-080-32
092-013 AND 035-171-011	047-320-004	504-080-39
035-102-030	047-330-005	504-080-38
035-102-031	048-070-008	504-080-37
035-102-018	048-070-009	458-133-15
035-102-040	048-080-001	458-240-30
035-102-020	048-080-003	458-010-05
035-162-003	048-080-004	458-240-31
035-162-026	048-190-011	458-240-33
035-162-032	048-190-028	458-240-32
035-162-025	048-190-029	458-240-10
035-162-024	048-190-014	458-250-10
035-162-034	048-200-002	458-010-19
035-162-035	048-200-003	458-250-07

Parcel Number	Parcel Number	Parcel Number
458-250-08	508-110-07	449-161-08
458-010-17	508-110-08	449-161-04
458-250-37	508-110-09	449-161-05
465-020-23	508-110-48	449-180-08
465-020-13	508-130-01	449-180-09
465-020-22	510-050-03	449-180-10
465-030-18	510-050-04	450-280-01
465-030-16	510-050-30	450-280-02
504-080-33	510-050-31	450-280-03
504-080-69	510-050-39	450-280-11
504-080-74	510-050-25	450-280-12
504-080-71	510-050-26	450-280-34
504-080-14	510-060-32	450-280-31
504-080-46	510-060-33	465-040-23
505-080-25	510-070-53	465-040-06
505-080-16	510-070-62	465-040-05
505-080-21	510-070-63	465-040-31
505-080-22	510-090-45	465-040-04
508-020-04	510-090-46	465-040-03
508-020-01	510-090-43	465-040-36
508-020-10	510-090-40	465-040-22
508-020-11	510-460-05	465-040-21
508-020-12	510-460-16	467-030-22
508-020-13	510-460-15	467-030-23
508-020-14	510-460-14	467-030-19
508-020-15	510-100-14	467-030-25
508-020-16	510-100-12	467-061-15
508-020-17	510-470-0X	467-062-11
508-020-21	510-470-01	467-062-03
508-020-23	510-470-02	467-030-17
508-020-25	510-470-03	467-030-04
508-030-12	510-470-04	467-030-32
508-101-18	510-470-05	467-063-18
508-101-19	510-470-10	467-063-19
508-102-04	510-470-06	467-063-37
508-102-01	510-470-07	467-030-29
508-102-02	510-470-08	467-030-37
508-102-03	510-470-09	467-030-38
508-102-35	510-470-11	467-030-03
508-102-07	510-470-12	467-040-12
508-102-08	442-122-02	467-040-07
508-102-10	442-122-15	467-040-06
508-102-09	442-122-03	467-040-05
508-110-45	442-122-36	467-040-21
508-110-46	442-122-05	467-040-04
508-110-06	449-161-02	467-050-24

Parcel Number	Parcel Number	
467-050-13	450-154-08	
467-081-19	450-155-18	
467-081-08	450-155-17	
467-081-07	450-155-16	
467-081-06	450-155-15	
467-081-05	450-271-12	
467-050-28	450-272-28	
467-082-12	450-272-27	
467-082-01	450-272-14	
467-050-23	450-272-13	
504-010-20	450-272-12	
504-010-21	450-273-26	
504-080-44	450-273-13	
504-080-08	450-273-12	
504-080-09	459-023-55	
506-130-28	459-023-56	
506-130-21	459-023-18	
508-120-18	459-023-59	
509-050-05	459-023-51	
510-050-01	508-110-13	
510-050-02	508-110-10	
508-010-07	508-110-11	
510-050-05	508-110-12	
509-050-06	508-110-14	
509-080-11	458-010-20	
509-080-13	459-111-14	
509-080-45	458-250-15	
510-050-06	458-250-25	
442-122-37	458-250-27	
442-122-33	458-250-09	
442-122-34	458-250-23	
442-122-35	458-250-24	
449-020-16	458-240-25	
442-122-24	504-010-09	
442-122-28	467-030-34	
442-122-22	467-071-01	
442-123-05	467-071-02	
442-123-03		
449-162-01		
449-162-02		
449-162-03		
449-162-04		
449-162-05		
449-162-20		
450-280-08		
450-154-09		

Mr. RICHARD. Thank you. Chairman Denham, Congressman Valadao, Congressman Costa, I am Dan Richard. I am the chairman of the California High-Speed Rail Authority board of directors. It is a distinct honor to appear before you today. In view of the many questions that have been raised about California's high-speed rail plan, I have provided extended and detailed written testimony for the record to address these points. In that testimony, I discuss why we believe this transportation investment is absolutely vital to our economic future here in California, especially given population growth and the environmental challenges we face.

I want to talk today about three main topics in addition to the testimony that we filed, and we look forward to your questions. The first point is that over the last year, we have developed a new vision and a new approach to this program, one that is more logical and in harmony with the State's rail transportation system.

Our progress this past year includes the following: one, a better business plan. We will build the system in logical phases with each segment having funding in place beforehand and each segment having standalone utility. And it is a plan that will fully integrate high-speed rail into the State's intercity and urban rail network, including sharing corridors where appropriate, and that is an approach we call the blended system. As a result, this new plan generated widespread support and increased confidence, and the legislature appropriated $6 billion to begin construction here in the valley this year.

Number two, significant improvements in our cost and ridership forecasts. We have scrubbed these numbers completely and brought in outside experts to review them. As a result, the GAO gave us high marks in our cost, ridership, and revenue forecasting methodologies.

Number three, new leadership with substantial talent and proven experience in infrastructure project management and delivery. As a result, the State auditor general, who had been highly critical of this program and the Authority as an organization in the past, said we have made substantial progress, and she issued a very laudatory report.

Number four, better outreach to many affected communities and concerned stakeholders. Frankly, we are just doing a better job of listening and providing information. As a result, we have made alignment changes that have satisfied a number of concerns along the right-of-way, and I am proud to say that we have reached settlements on three of the environmental lawsuits here in the valley, all three I should say. This is an effort that we are committed to continuing as we go forward.

That is a short list of our progress to date. Next, I want to briefly expand on the benefits of this blended implementation approach to building a system. Until about a year ago, the thinking was that high-speed rail was its own insular program separate from the existing statewide rail network and other transportation systems. Our business plan signaled a dramatic shift from that thinking to an approach where high-speed rail is fully integrated with other intercity commuter and urban rail systems. This approach is more efficient, it lowers costs, it reduces community impacts, and it maximizes connectivity and convenience for customers. And we are

now working in concert with our rail partners, including ACE, L.A. Metro, the Amtrak-San Joaquin, Caltrain, and others, to make parallel investments in all of the systems around the State.

Lastly, I am keenly aware that this committee has concerns about our plans to fund and complete the system. We believe we have a solid approach to funding this program, one that is appropriate to this stage of project development and consistent with how other major infrastructure projects are developed both here and abroad.

Mr. Chairman, our current estimate is that the program will cost about $53 billion measured in 2012 dollars, or $68 billion, as you pointed out, in fully inflated dollars over the next 15 years. And we are beginning an aggressive effort to bring those costs down.

Today we have in hand about $13 billion in funding through a combination of State bonds and Federal appropriations, which is actually a good first step. But with high-speed rail in California, we have an additional opportunity to include significant private sector investment, and this is because we are highly confident the system will generate net operating cash flows. That is the universal experience of high-speed rail systems around the world that once built, once the capital is expended, they generate net positive operating cash flows. Our expectation is that by selling the rights to private sector operators, we will generate another approximately $14 billion net present value for the full build out of the system.

So the question is not whether the private sector will invest, but when. In the absence of project completion guarantees or any type of revenue guarantee, they will want to see a proven revenue stream. This has been the experience around the world, and GAO confirmed that that was also their understanding and experience as well, and they said, "The Authority's plan is consistent with this funding approach."

Remaining funds will come from a basket of high-value sources, such as real estate development around stations. In Japan, this accounts for about 30 percent of their revenues, concessions to lease our right-of-way for fiber optic and energy facilities, parking, and advertising revenues, and so forth. And finally—I will be very quick—the Brown administration has identified State cap and trade revenue as a potential backstop for this project, and the high-speed rail project is eligible to receive those revenues.

Lastly, we do believe it is reasonable for the Federal Government to continue investing in high-speed rail, because, like the Interstate Highway System, it is good for the economy. However, our approach will not just be to come to you seeking Federal funds, but to work with you to find areas where Federal support can leverage private sector dollars and help us attract that investment. And in that regard, we look forward to working with you on innovative approaches to reauthorizing PRIIA.

I want to thank you again, Mr. Chairman, for allowing me to provide you with a quick update. We look forward to your detailed questions. Thank you.

Mr. DENHAM. Thank you, Mr. Richard.

Mr. Upton?

Mr. UPTON. Thank you, Mr. Chairman. I am a farmer, and I am here to——

Mr. DENHAM. Push the——

Mr. UPTON. How is that?

Mr. DENHAM. There we go.

Mr. UPTON. OK. I am a farmer, like I said, so mics are a little bit of a mystery to me here.

[Laughter.]

Mr. UPTON. I live on my farm. My son lives on my farm. My grandson lives on my farm. It was started by my dad in World War II when he got back. It means a lot to us. It is our heritage. It is our future. So I am going to give you my experience I have had with high-speed rail, which I do not think is dissimilar from other farmers here in the Central Valley.

It started in November 2009 when we got a letter from the Authority saying that our property was in Route A3, and would we allow people on the property to do various studies. I called up the lady and said, I said, do I have the right to refuse? And she said, yes, but why would you want to do that? And I said, well, you are not following your own guidelines. This is not a transportation corridor, and it is certainly not minimizing ag land. So we did refuse.

We then went with some of our fellow farmers to the Authority meeting in December 2009. Curt Pringle was the chairman at the time, and he said, which I thought was good advice, why do you not roll up your sleeves and work with us if you do not like what we are doing. So we did. We started working with Mr. Pringle and the local folks, and we actually had success.

In March of 2010, the Authority board voted to eliminate Route A3. Hallelujah, we thought we had won. We done good. Well, we stayed with the process. We got on these technical committees, and we worked with them.

In June 2010 in Merced, they had a joint technical committee between the Merced to San Jose Consultant Group, Merced to Fresno Consultant Group, and the county agencies. And I asked the question, where do we want the Wye? Do we want it north of Chowchilla or south of Chowchilla? It was unanimous. The public agencies represented wanted it south of Chowchilla.

Well, a short month later in July of 2010, the consultant group and the Authority came out and said, OK, we are going to have it north of Chowchilla. So I challenged them, as did others. OK, how can you have a public input process, you take it, and then you do the exact opposite of what people want? Well, they said, no, the city of Chowchilla wanted it. So I called up the mayor, and he said, no way, it was not us. So we go back again. They said, no, it was FRA wanted it. So we asked the FRA. They did not want to talk to a bunch of farmers from California. So we did an FOIA request. It took a year to get the answer and to find out, no, they had nothing to do with that.

So in August 2010, the Authority said, well, we have put the pencils down. So from August 2010 until December of 2011, we were sort of in this process where we worked with them. We got resolutions opposing some of the routes, et cetera, et cetera.

In December 2011, the Authority and the consultant group came out with their preferred hybrid route, OK? This hybrid route is what you see for the construction in Fresno there and in Madera. But in the Wye section, they had one for us as well, and it was a

worse abomination than what they had before. This moved it from Road 13 to a road called Road 12 and 1/4. The only problem was Road 12 and 1/4 does not exist. This is a figment of the imagination of the Authority.

So again, we protested, and the board, to their credit, they excised out the Wye portion there in the spring and said, we are going to move that to Merced, to the San Jose group and let them study it. And so in June of 2012, we started working with the Merced to San Jose Group, and that was good. They started listening.

I think the key change, for me anyway, was when they hired Diana Gomez as the regional director. She came in late 2012. She was a fresh face. She was willing to listen to us. She is a valley gal. And she brings a unique perspective because she is used to things that do not work very well and a lot of losses because she is a big Raiders fan, OK?

[Laughter.]

Mr. UPTON. So what she did, which nobody else did, she was willing to meet with my farm laborers, the guys. I am an equipment intensive farmer, so my guys got good jobs. They have health benefits. Their kids go to college. They own their own homes. And she met with them, and we had a good discussion afterwards. And her point was, why do we have to replace good farm jobs with rail jobs? Why do we not have both? Why do we not make the structure so it is consistent with our existing infrastructure? And that is what we have been saying all this time, and we are hopeful that this is what will happen with this project.

We have several projects or routes that are on the table now, 152 and Road 18, which will work. You also have two from the old days, Avenue 21 and Road 13, which are abominations. We have opposed them for 4 years. If you stick that on us, then you may as well just kept the old group in because we are back to square one, and we are going to start fighting again.

And I would like to point out a couple of folks that have really helped us. Number one, Chairman Denham, I appreciate your efforts in doing this. I appreciate Supervisor Rogers and what he has done with us. But I want to point out a couple of folks that are strong high-speed rail advocates that have actually worked to try to get us together. One is Supervisor John Pedrozo of Merced County. He has worked with the Authority and us. The other was Dee Dee O'Donnell of your staff. And I got say they are unique. A lot of the other folks that are for this thing in the valley just have called us names, and that does not help.

Mr. DENHAM. I told her to try to make you happy, Kole.

[Laughter.]

Mr. UPTON. OK. Well, now ask Mr. Richard to make me happy and get the right routes, and we will be done here, OK?

[Laughter.]

Mr. UPTON. So in conclusion, the ball is in the high-speed rail's court now, and I am hoping that they do not fumble it. Thank you.

Mr. DENHAM. Thank you, Mr. Upton.

Mr. Verboon?

Mr. VERBOON. Good morning. My name is Doug Verboon for those of you who do not know me, and I would like to thank the

staff, the council here. Can you hear me all right? I would like to thank Congressman Denham, and Congressman Costa, and Congressman Valadao for letting us come today. I appreciate it.

Since we last testified in 2011, the situation has worsened. It has dissolved into a Proposition 1A voters would not recognize. We have chronicled unaddressed concerns in volumes of correspondence. The project ignores environmental precedent in favor of political posturing.

The county was completely excluded during the corridor refinement process. This exclusion caused the Authority to realize, too late, that it chose one of the most well-planned, completely protected, and ag-sustained areas in California to anoint the spine of the project. It has steadfastly ignored Kings County ever since, essentially stating it is too late.

Kings County cannot possibly be the least environmentally damaging project alternative, when only 20 miles east of Highway 99 and 198 convene with the Visalia Airport. Visalia has tirelessly lobbied to have the Authority open its eyes and receive this perfect gift.

The 2012 business plan may save dollars, at least on paper, but also robs the bond money, bestows it on conventional rail, and blends the project into the Prop 1A voters would not recognize.

Sixty-eight billion dollars would allegedly build phase one, plus $32 billion to electrify that 100 miles, and billions more to complete phase two. Phase one will shift Amtrak and bypass cities whose people and economies have become dependent on them, including Hanford, Corcoran, and Kings County. The result is a project that will not be electrified, will be standard diesel, will be subsidized, will compete with conventional passenger and freight service, will travel at 79 miles an hour, not the 200-plus indicated in Prop 1A, will not provide a nonstop L.A. to San Francisco Prop 1A required trip, will not be green, but it will seek cap and trade money claiming it is, will rely on speculative funding sources, will not have additional Federal money, will not entice venture capital, will not have independent utility, will clog the cash-strapped courts with condemnation cases, will be politically expedient for some, but at the cost of the environmental justice in Prop 1A.

The project has no construction permit, but claims it will start construction in July of 2013. It does not have ARRA required agreements with Burlington Northern Santa Fe or Union Pacific. It does not have the necessary environmental permits to complete even the 29-mile initial construction segment, let alone drift into the Fresno-Bakersfield segment has yet to be certified.

Even so, the Authority certified to the legislature that it will in the future comply with the required environmental thresholds, even though Prop 1A requires all environmental certifications be obtained for Merced to Palmdale before bond approval.

Senator Rosenthal recently asked Chairman Richard if, for all this money, we are going to get our high-speed rail. He said, no, but you are going to get a lot. If they cannot comply with Prop 1A, they must stop. The Federal funding agreement requires compliance with State law.

On January 3rd, 2012, the Prop 1A Commission Peer Group reported to the State legislature, "We cannot overemphasize the fact

that moving ahead on the high-speed rail without credible sources of adequate funding, without a definite business model, without a strategy to maximize the independent utility and value to the State, and without the appropriate management resources represents the fiscal risk on the part of the State of California."

High-speed rail in California, as defined in Prop 1A, is a worthy objective, and one that my county initially supported so long as it allowed existing transportation corridors. It has developed into a project voters would not recognize, and given the truth, the Governor would probably decline to endorse. This should concern the Authority's Federal partner, the Federal Railroad Administration.

This project needs more oversight, more accountability, and more common sense, and less antics. In reflection on its implication, I am reminded of the children's story of the three little pigs and the consequences of building a house of straw.

That is all I have to say. I would like to make a comment. You know, Kings County has been fighting the high-speed rail for about 2½ years, and we were not against it from the beginning. But the high-speed rail put us in a position we are in today for lack of coordination into our county. We wanted to have the right to protect our farm ground and a right to work with high-speed rail to get the proper alignment through our county, and they have neglected us. And we have not seen the High-Speed Rail Authority in our county, in our chambers for 11 months, and we have been trying to every single month to work with them to get this resolved. And now it is almost too late. So thank you.

Mr. DENHAM. Thank you, Mr. Verboon.

Ms. Raudabaugh?

Ms. RAUDABAUGH. Thank you, Mr. Chairman, and honorable members of the valley. The Madera County Farm Bureau appreciates the opportunity to provide testimony on behalf of its 1,200 members in Madera County. Madera County ranks 10th in the State for gross agricultural production value and fourth in the entire world for the production of specialty crops. We receive no Federal subsidies. We pay our employees entirely off the profit and the sweat of our crop.

Agriculture and ag related businesses account for over 76 percent of Madera County's employed, and also represent nearly 67 percent of Madera County's GDP. The Farm Bureau represents approximately 95 percent of all agricultural interests in Madera County.

The California high-speed train project has a lengthy history in Madera County, which dates back to 2009, as my colleague, Kole Upton, mentioned. These design options that were originally presented included a variety of alignments that deviated significantly from major transportation routes, crossing agricultural lands and prime farm lands, ultimately causing what now appears to be an insurmountable level of mistrust, suspicion, and anger towards the project by the agrarian community.

The final alignment selection in Madera County in May of 2012 yielded thus far an unprecedented level of agricultural property acquisition, and irreparable damages to agricultural operations in Madera County. The final alignment again in Madera County leaves State Route 99 as much as 5 miles to the east in Madera, which bifurcates, dissects, and severs approximately 500 different

ag operations. Four hundred and thirteen of those affected are in Madera County. The results, although yet to be defined, is certain to be a loss of businesses, revenue, jobs, and ultimately land that is available for agriculture.

In 2012, once the final alignment was selected, the Madera County Farm Bureau, the Merced County Farm Bureau, Preserve Our Heritage, the Chowchilla Water District, Fagundes Brothers Dairy Entities, and originally Madera County, filed a lawsuit against the Authority, which claimed statutory violations under CEQA and the Bagley-Keene Open Meetings Act.

A day before the litigation was scheduled to be heard in Sacramento Superior Court, the petitioner parties, along with the Authority, agreed to a settlement. The settlement is a comprehensive agreement that includes major facets associated with right-of-way acquisition and land acquisition processes. It also includes additional direct mitigation acreage related to indirect effects of the project in the form of an agricultural buffer running the length of the tracks, both to the east and west, 25 feet wide throughout ag land in the valley.

The settlement also provides for a comprehensive ag land preservation program, which is called the Ag Land Mitigation Fund, which is designated to set aside acreage to offset unforeseen impacts to agricultural properties from the project.

Moving forward into the future, the question of how smooth the land acquisition process will proceed remains unanswered. The Authority must begin by honoring its commitments in the settlement agreement and ensuring that land owners are given the best possible list of options for, first, maintaining their agricultural operations viability, and then and only then receiving just compensation for the impacts the project will cause.

Approximately 80 percent of the landowners affected along the initial construction segment are Farm Bureau members. To date, none of them have expressed a willing desire to sell. The situation is most likely going to be one in which the majority of these property owners are going to be unwilling sellers. And given that the average price of farm ground in Madera is $25,000 an acre, the Farm Bureau is concerned about the allocation of costs associated with the Authority's business plan, and that the actual payments will be substantially lower than what should be required.

The Farm Bureau would also like to ensure that there is adequate funding sources to purchase these properties well before any appraisal or offers are made. Our members are already suffering from an inability to obtain operating loans simply by being in the path of the project's alignment. Unfortunately, no amount of money or offsite mitigation can replace a farmstead that has been in the family for generations. The Farm Bureau is highly alarmed that this project may cause more irreparable harm before it can be completed.

That is my statement, but I would like to make a comment. You have not heard about any ag acquisition or any complaints about ag acquisition for Caltrain's projects because those projects have been part of the county or local general plan for decades. This project has not. That is why we have not been screaming about those.

Mr. DENHAM. Thank you.

Mr. Thompson?

Mr. THOMPSON. Chairman Denham, Mr. Costa, Mr. Valadao, I am happy to be here today representing the Peer Review Group of which I am the chairman. I hope we can add something useful to these discussions.

The Peer Review Group has supported the concept of high-speed rail, but we have had, and we still have, a number of concerns, which we have discussed in our reports. Our objective has been to strengthen the project, but also to make sure that everyone understands the risks.

We have been especially concerned to make sure that people know what we are getting into because my experience is that if you do not do that at the beginning, sometime in the next year is when people begin to realize how difficult it is. The project loses credibility. We want to avoid that if we can.

Most of our concerns have been covered in your own summary of the subject matter statement, which was excellent. And I am not going to try to elaborate on those. I just want to list them briefly to put them all on the table.

First, the source of complete project funding does not exist. Beyond the existing sources of funding, there is no Federal money, and there are no other sources. There is a possibility of a new Federal program. There is a possibility of using the State's cap and trade program. There could be a sales tax. Indeed the 2000 business plan depended on a sales tax. There could be a fuel tax. There could be private money. It will be delayed until later. Obviously we do not advocate any of these, but the point is that some of them will have to be developed or the project will not be able to go beyond the Central Valley.

The second was the risk of what happens if it does not go beyond the Central Valley, and that risk still remains, but we feel that it has been mitigated very significantly by also beginning to work on the ends where the immediate ridership in the immediate population end benefits are.

As Chairman Richard said, the planning context of this project was backwards. That is, we started with the wonderful idea of high-speed rail, and then we began to think about what to do about it if we got it. It should have been the other way around, and it is now. The State has issued a new State rail plan, which begins to put it into the right kind of context and gives us more confidence that it will be served by local transport.

There was the issue of phasing and blending of the project to make sure that it got done in the right sequence. The Authority's proposal to build south first, we believe, was correct. That is the right way to get started. The phasing and the blending on both ends makes a lot of sense because it reduces the disruption of the project to the urban areas.

Business model, we were concerned about. That is how you are going to manage the project because, among other things, the raising of private sector money is crucially dependent on the business model. The 2014 business plan we understand will spend a lot of time on the business model, and we support that.

As the management resources, this project at its peak will be larger than Caltrain's. It will have a larger construction effort that Caltrain's, and we have been concerned all along that it would have the management resources it needs to manage the project.

They have done two things. First, the adoption of the design bill contracting process, if it works the way it is supposed to, will shift a lot of the burden to the contractors. And secondarily, we give them considerable credit because the priority of the project has been raised, and as far as we can see, they have gotten a lot of the State resources that they needed. But design bill contracting has risks as well as benefits, and we certainly will want to see the next couple of the years of the project.

Demand forecasting has been lowered a little bit, and the peer review panel has made a number of suggestions. Since there are no decisions to be made in effect until the decision to go south, we can take the time to get the demand forecasting better, and we can collect the data that we need to make a much better demand forecasting model.

Capital costs, as you know, are based as of now on preliminary estimates of only one bid. There is no experience with the capital costs, so we will just have to see. Right now, no one has great confidence in those forecasts. The O&M model they are going to work on, and we believe they will improve it.

Let me summarize this with two points. First of all, high-speed rail in California is an immense project. We should not kid ourselves. It is a giant project. The high-speed rail projects in Europe and Japan and in other places in Asia have been managed by an ongoing railway that knew what it was doing. The High-Speed Rail Authority has got a very steep learning curve, and it will be a real challenge.

Second, though, they have made, as others have said, manifest progress in getting this project under control, the project of September 2011 and the project today is very, very different. And many of the issues that we had have been addressed. We stress that a number of things will not be resolved for a number of years, but at least they have addressed many of them, and they have made a lot of progress.

Finally, our role, we think, is to work hard to identify issues and to make sure all of the right questions are on the table. And I hope we can do that, and I hope that in this meeting and in others we can be useful to you.

Mr. DENHAM. Thank you, Mr. Thompson.

Mr. Smith?

Mr. SMITH. Thank you very much. Chairman Denham, Congressman Costa, Congressman Valadao, thank you very much. I am Al Smith, and I thank you for the opportunity to be here today.

As the president of the Fresno Area Chamber of Commerce, I work closely with the business community, and I guess I have a decent understanding of our Central Valley's economy. This Fresno chamber strongly supports the high-speed rail project for California. It will create jobs now and in the future, and it will make doing business in our valley more attractive and efficient.

California's unique geography and expected population growth makes our State perfectly suited for this project. Central California

is considered the bread basket of the world, as was noted. Its fertile soils generate billions of dollars of economic stimulus and thousands of jobs. Fresno, Madera, and Tulare Counties alone generate over $14 billion of the $32 billion ag dollars statewide.

But this area is almost totally dependent on agriculture. Unfortunately, it can be negatively impacted with drought conditions and environmental challenges, as we are witnessing even as we speak. The guarantee of ag's sustainability year in, year out is always fragile. As a result, there is an urgent need to diversify our economic base.

In the Central Valley, unemployment ranges in excess of 15 percent. That is double the nationwide average. Some west side cities have unemployment as high as 40 percent, so job creation is paramount. The development of high-speed rail has the opportunity to create 20,000 jobs for each billion dollars invested, and a lot of those jobs, thousands of those jobs, will be in the Central Valley. It will be a boost to small business with 25 percent of those funds targeted to them, and to disabled veterans. Should the maintenance facility be located in our area, it would create another 1,500 high-paying permanent jobs, bringing ancillary businesses and support services with them.

This part of California could become the epicenter for future high-speed rail projects as it expands across the Nation. Businesses large and small in the San Joaquin Valley support high-speed rail. Jackie Emerian is a lifelong resident of Fresno, a business owner since 1967. He is the chief executive officer of Val Print, a marketing and design company based in Fresno. Three of the company's properties will be affected by the rail alignment, and throughout this process, he has found in the High-Speed Rail Authority a willing and supportive partner. He knows that his short-term sacrifice will serve the greater good, ensuring a brighter future for the valley.

The same with Helen Chavez-Hansen, the owner of La Tapatia Tortilleria, who also has three properties affected by the project. She states that the high-speed rail staff has been extremely responsive in her questions and to help develop options for redirecting traffic flow in order to provide continuous operations.

Now, about that unique geography. As you know, this State is long and slender. From north to south, it is 770 miles. That is the equivalent of driving from Chicago to Jackson, Mississippi. The distance from Los Angeles to San Francisco is an exhausting 382 miles, so that's 6 hours' drive. The distance from San Diego to Sacramento is a painful 504 miles. That would be an 8-hour drive. Our 38 million inhabitants are split with 60 percent living in the southern part of the State and 40 percent in the north.

California's citizens and businesses in the south need to interface regularly with its northern counterparts. Primarily, San Francisco is a financial center, and Sacramento as its government. Our transportation choices are limited: automotive, air, Amtrak, bus, and rail. We suffer with three of the top five most congested urban areas in the United States, costing us approximately $20 billion per year in wasted fuel and lost time. We need more options.

High-speed rail has the ability to speed transportation, lower stress, reduce fuel costs, contribute less wear and tear on high-

ways, thus reducing the cost of highway maintenance, less traffic accidents and deaths, plus improving air quality.

In conclusion, we who have accepted positions of leadership in our valley, cannot turn our backs on those 15 percent of our neighbors who are standing in a very long unemployment line scraping to keep food on the table and a roof over their head. We have been given the rare opportunity to put in place a project that will create jobs for thousands of our friends, our neighbors, our small businesses, and our disabled veterans who need them so desperately. Thousands of jobs, billions of dollars of investment right here in one of America's neediest regions. How can we as conscientious decisionmakers do anything but work towards making that possibility a reality?

In my 25 years as a citizen of this valley, I have never seen such a tremendous opportunity. This usually comes once in a lifetime, and it would be a shame if we do not make it work.

Thank you.

Mr. DENHAM. Thank you, Mr. Smith.

[Applause.]

Mr. DENHAM. Let me stop those in attendance now. We are not going to permit signs, cheering on either side. We are going to keep this a very orderly hearing so that we can actually get down to the facts.

And let me start with that line of questioning. My goal of this hearing is twofold. First of all, I think the valley residents have a right to know what farms this is going to affect, how businesses will be disrupted, what the timeline is for construction. Basically, property rights and property owners should know what to expect in the future, whether they are planning for harvest or planting or getting their goods to market, as well as the businesses in this initial operating segment, initial construction segment. The businesses should know whether they have the opportunity to expand or are they going to have to relocate? Should they shut down their doors?

And then secondly, overall Prop 1A, what was committed to the voters, where we are at on each of those different things that I brought up in my initial testimony.

So, Mr. Richard, I would ask you to start this morning. If you can just give us an update on where this project was when you took over the position, where it is now, just a brief update, especially as it pertains to that timeline.

Mr. RICHARD. Thank you, Mr. Chairman. First of all, with respect to the timeline for the project, the essential thing that we had to get through last year was the legislature's authorization for us to spend both bond money as well as the legislature actually had to appropriate our expenditure of the Federal money. So that was really the pressure point where all these questions came before them.

I do want to point out on your second topic, the Prop 1A compliance, that just prior to that legislative vote, two members of the State Senate, then Senator Joseph Simitian and current Senator Mark DeSaulnier, asked the State legislative counsel to review this new business plan approach that has the blended system that we talked about to determine whether or not it complied with Prop 1A.

And we do have that letter from leg counsel that basically said, yes, particularly the valley segment, because they went back and they looked at Prop 1A, and they said it does talk about usable segments. It does talk about being able to build things in phases.

In fact, I went back and looked at the 2008 business plan, which was 3 years before I got here, and they actually in that plan laid out how the trains would go slower in the urban areas and faster in the middle. So a lot of these things were raised by the legislature prior to their actually issuing the vote in favor of the project.

Fundamentally, the reason we believe this complies with Prop 1A is that we have never lost sight, and will not lose sight, of the ultimate vision here. What we are doing is we are building things in pieces, in stair steps. It is not unlike if you were looking at a long-term plan to build an interstate highway, you start with some segments. At some places, you go down to two lanes or maybe even into the town. But over time, those segments are filled in.

And we are building this out in lateral segments, and then we are also bringing up the level of service to full high-speed rail service. Our plan is to meet those criteria. I do not disagree with Congressman Valadao that it is a little unusual to put engineering standards in a piece of legislation, but the fact of the matter is, they are there, and they are the law. And our plan is that we will get people from L.A. to San Francisco in the requisite timeframes and at the requisite speeds. And it will be a fully electrified system.

So we think that it is really a question of as long as we are moving towards this, the leg counsel felt that this is in compliance with Proposition 1A. And I can go into further detail on that. With respect——

Mr. DENHAM. Let me just stop you real quickly.

Mr. RICHARD. Sure.

Mr. DENHAM. The letter you are referring to, it does say that it is not clear. The overall San Francisco-Los Angeles segment, which would incorporate the blended segment compliance with the bond act is not clear.

As we are moving forward, I want to make sure that the blended approach would also go north into my district to connect with ACE train, which is not part of this current plan, nor is it clear whether that would comply with Prop 1A.

Mr. RICHARD. Mr. Chairman, well, first of all, I was referring to this on page 21 of 22. The construction of the initial 130-mile segment in the Central Valley complies with the bond act requirement to commence construction with the usable segment. It goes on from there.

Now, you are right that there are portions of it where the bigger question were at the ends where we are doing the blended service. And there, as I read their letter, it is mainly saying we do not know because the Authority has told us that they will meet these criteria, they have got to meet them. And so they have to rely on our engineering judgment at this point. But with respect to the construction of the Central Valley portion, there did not seem to be any question, at least in my reading of the letter.

Now, in terms of your question of where we are starting, the project through the Central Valley is about 130 miles from here in Madera down to north of Bakersfield. For environmental clearance

purposes, we broke that into two segments: a Merced to Fresno environmental review and Fresno to Bakersfield. We have completed the Merced to Fresno review, and with the settlement of the litigation, there are no more questions about that segment. And so the plan is to start here, we believe, this summer, building that line from about Madera Acres, I think it is, down into Fresno. Mr. Chairman, we have provided you with specific parcel information along that.

For the segment from Fresno to Bakersfield, we are not able to do that at this point because we are still in environmental review. We have an alignment——

Mr. DENHAM. Mr. Richard, let me stop you there——

Mr. RICHARD. Yes, sir.

Mr. DENHAM [continuing]. Because I am out of time, and we are going to try to stick to the 5-minute questioning. But on that specific topic, just to be clear on this initial operating segment, Merced to Fresno, what you applied to the SDB for is only 29 miles of that segment, correct?

Mr. RICHARD. Yes, sir, because that is the only part we have got environmental clearance for now. The rest of the clearance should come in the fall. In the valley portion for the Fresno to Bakersfield phase, we will complete the environmental work in the fall. And then our sixth construction packages will cover that entire 130-mile segment.

Mr. DENHAM. And have you identified the route for the first operating segment?

Mr. RICHARD. For the first segment, that 29-mile segment, that route is identified, and I believe we have given the parcel information to you.

Mr. DENHAM. Yes, thank you.

Mr. Costa?

Mr. COSTA. Thank you, Mr. Chairman. Mr. Louis Thompson, thank you for your thoughtful comments with regards to the GAO report. I suspect you have been a little bit modest here, but I am looking at your biography. You have been involved in major construction projects throughout your career, both in the private sector and the public sector with the Federal Railroad Administration and the Department of Transportation from 1978 to 1986, and the World Bank from 1986 to 2003. So let us stipulate for the record that you have worked on a lot of infrastructure projects. And clearly your testimony and your peer review effort, I think, reflects that.

You talked in your testimony about concerns on how the project will be funded and a dedicated source of funding for the project, which I and others are striving to achieve. But I am wondering in terms of a comparative analysis, for example, I have been working on the improvement of 99 from Bakersfield to Sacramento for my time in the State legislature, and now in Washington. And we have phases on Highway 99 for improvement, but we do not have a guaranteed source of funding. There are funds that are dedicated for these corridors, but it is not guaranteed. And so we have to build it in phases as money becomes available.

198 in Supervisor Verboon's Kings County I have been working on for 14 years with first Senator Chuck Poochigian from Visalia to 99, and then from 99 to Hanford. I wish it had not taken so long.

I had a very close cousin who was injured, like a lot of other people, in an accident in 1964 during one of those foggy January days. But that project stopped and started three times, and then went up on the shelf because of insufficient funding.

I am wondering, Mr. Thompson, with your expertise, how those transportation corridor projects in terms of a guaranteed source of funding is different than this project or the I–5 where we built it in phases.

Mr. THOMPSON. Well, the interstate highway program, as you know, did have a guarantee, or at least, a hypothecated source of funding.

Mr. COSTA. Which is oversubscribed.

Mr. THOMPSON. Which was oversubscribed.

Mr. COSTA. Still is oversubscribed.

Mr. THOMPSON. The point is that the people who started out with the map of the highway system had a reliable source of money that they knew over a period of years would fund what they were going to do.

It is extremely difficult to plan and manage the construction of a very large project like this if you do not know whether the money you are going to have each year is what you plan to have. When I built the Northeast Corridor project, we depended each year on an appropriation from the Congress, and we did not know each year what the appropriation was going to be.

Mr. COSTA. Well, as you know, because of my time here, the fact is that we are trying to get a stable source of funding for high speed for the Northeast Corridor and for other corridors around the country. That is part of the debate in the new transportation. And I concur that that is a goal that we should obtain for all of these projects. But the fact is we plan projects in America, whether they be transportation projects or other projects that are major infrastructure, and we do not always have the money upfront. Would you agree with that point?

Mr. THOMPSON. Of course. We do not always have the money upfront. Our point was twofold. One is the money does not exist, and so it will have to be sought from one source or the other. And the second is that when you are trying to plan and manage a project of this magnitude, it certainly is better if the money is available upfront and you can rely on it. You can do it otherwise. There is no question about that.

Mr. COSTA. Yeah, but, I mean, I am trying to think of any project that I have been involved with for almost 30 years where the money was upfront. I mean, if that was whether you went forward or did not go forward—I mean, we are trying to fix the Delta right now. It is a $14 billion price tag. We have identified sources of money, but the money is not upfront.

On the Wye project, Mr. Richard, Mr. Upton talked about the frustrations he had with the so-called Wye, and we have heard some of the comments. Can you describe how you, working with the property owners between Chowchilla or between Merced and Madera and Merced on the Wye?

Mr. RICHARD. Yes, Congressman. First of all, to do that, I just want to indicate I am joined here by our CEO, Jeff Morales. Mr. Morales had the personal leadership to address those questions,

and I am very happy that he has done an excellent job working not only with Mr. Upton, but also with the Madera and Merced Farm Bureaus.

What he has done is come to us and suggested that certain potential problematic alignments be taken out. And because we are still in the environmental process, I cannot say what the ultimate outcome will be. We are now very fully informed at the board level that there are certain things that work and certain things that do not.

Mr. DENHAM. Thank you, Mr. Richard.

Mr. Valadao?

Mr. VALADAO. Thank you, Mr. Chair. It seems a lot of the concern is getting San Francisco and L.A. connected in a quick manner. I want to ask if, did the Authority take into consideration the cost of disruption associated with relocating infrastructure and splitting farm land in communities when it decided on the I–5 corridor, decided to rule out the I–5 corridor? And what studies do you have to support that decision?

Mr. RICHARD. Congressman Valadao, that decision was made before I came to the High-Speed Rail Authority.

Mr. VALADAO. 1996 is when it was made.

Mr. RICHARD. Yes. My understanding is it goes back that far. The bond act also specifies that we would be connecting the cities through the valley. I get asked this question a lot. I have been asked this question repeatedly in Kings County, which is where I would say we are having the most difficulty right now with alignment choices, precisely, I will say because Kings County, among all the counties in the valley, has done probably the best job in preserving agricultural land. And so that makes it even more challenging to work there.

But having said that, I am asked about this a lot. I think we have provided the study that was originally——

Mr. VALADAO. You provided the study that shows——

Mr. RICHARD. I believe we have, but if I could, Congressman, I will follow up for the record on that and make sure that we have.

Mr. VALADAO. I appreciate that. And then the question also has to be asked, why did the Authority reject the offer from the French high-speed rail company, and supposedly one of the best in the world, to build a high-speed rail on the I–5 and assume all the risk? And where is the analysis justification and finding to reject that offer?

Mr. RICHARD. Well, that also preceded my time, Congressman, but I can give you a very simple answer to it, which is that they, as I understand it, came in and proposed to take over the program. They did not bring a checkbook. And so if——

Mr. VALADAO. Neither is our side either.

Mr. RICHARD. Well, no, but I am just saying.

Mr. VALADAO. There is no funding source either side of the aisle.

Mr. RICHARD. Well, but I am just saying that there is also Virgin Rail, there is Japan Rail East, there are numerous operators around the world who would like a shot at this. And just handing it to one company with an unsolicited proposal with no checkbook, I think, would not have been in the public interest.

Mr. VALADAO. Well, and then with the blended approach, when I was in Sacramento, that vote came down, and the two members you specifically mentioned earlier that had concerns with it did end up voting against the project. And I think Joe Simitian actually did a wonderful job on the floor if anybody has a chance to listen to his speech, because he has always been a supporter. But he voted against the project when I was there.

But the blended approach was brought in and brought to the table, so it would, in my opinion, buy off some off some of the votes in the larger areas with more votes—L.A. and San Francisco. But that blended approach was brought in to save money and to use existing resources.

In the Central Valley, you are building a track alignment literally in some portions right next to others, a couple of miles away from an existing corridor. But from Bakersfield to L.A., there is absolutely nothing. Why not the same type of thought process and planning brought in for that portion of it, and why not enclose off a portion of the track or a portion of the area or the State that has absolutely nothing there? Why not the same blended approach? Why are we not granted the same luxury?

Mr. RICHARD. Well, I think the answer to that question is that in the urban areas, the trains are never going to go 200 miles an hour. As I said, even looking back to the 2008 business plan where they had a fully dedicated rail line the entire way, they showed trains going 100 to 150 miles an hour in the urban areas. It is just the topography there. And in order to meet the standards, which, as you pointed out, were put in the law, the part where it is straighter and flatter is where the trains go faster.

One of our problems in your community in Kings County is just that the BNSF line down there makes a right turn or a left turn heading south to the east. Trains going even 100 miles an hour cannot navigate that. So it puts out in a difficult situation.

But I would say that the blended approach is consistent with what has been done around the world as you come into urban areas, and in the open parts of the State in between, it is a dedicated rack at high speed.

Mr. VALADAO. Speaking of Union Pacific and Burlington Northern, how is your relationship with them, and have they signed off on the project? I have read a few letters from them that sounds like they are not very supportive or excited about the openness of the agency.

Mr. RICHARD. Well, I think our relationships with both of those railroads, which are crucially important, are very good. And I have personally, as has Mr. Morales, been involved in high-level discussions all the way up to the top of UP and also with BNSF.

I think we are close to an agreement with them. The main issues that they have concerns with are indemnifications, which we have promised them we are going to provide, and it is in our budget to do so. They are also concerned about their operational flexibility and the ability to reach customers and not be blocked out by the high-speed rail line. We have had extensive conversations with them about that.

BNSF told us they were a little surprised and chagrined by the way their letter was characterized in the press. I think our rela-

tions with them are good, and I think that the agreements are pending.

Mr. VALADAO. Thank you, Mr. Chair.

Mr. DENHAM. Thank you. Mr. Richard, I am going to ask a number of questions very, very quickly, if you could give me short answers. We are spending a lot of time with you, and we have a number of other panelists here.

But let me, on the land acquisition piece, first of all, have you acquired any land yet?

Mr. RICHARD. We are in the process. I am going to ask, if I could, Mr. Chairman, maybe during a break in questions, I will get a note from Mr. Morales as to where we are. We are in that process where are working with people right now. We may have concluded some of the agreements. I am not completely sure. I will find out for you in just a moment.

Mr. DENHAM. And still on track to break ground this summer?

Mr. RICHARD. Yes, sir, with the understanding that the Surface Transportation Board needs to render a judgment so that we can go forward. But if they do it in the timeframe that they have used in the past, we would be on track to break ground this summer.

Mr. DENHAM. So you have a committed route, and you are buying property. So you are somewhere in the process of buying property along that committed route.

Mr. RICHARD. Right. For the first 29-mile piece that has been environmentally cleared, our agents are out talking with land owners right now and engaging them in the conversations. And our hope is to buy all of this and to avoid eminent domain, if it at all possible.

Mr. DENHAM. And you have sent out letters along the 29 miles?

Mr. RICHARD. Yes.

Mr. DENHAM. Have you sent letters out beyond the 29 miles?

Mr. RICHARD. No, because beyond 29 miles, we are not allowed by law to do that until we clear the environmental process, which will be this fall.

Mr. DENHAM. And if you cannot come to an agreement with landowners, you are prepared to do it by eminent domain, or what is that process?

Mr. RICHARD. We will follow the law. That process, as I understand—I am not a practicing lawyer—but is that there is a process where if there is no agreement, we go to to court to get an order for the take, and then people argue about the price. And I think it is fairly standard with what happens in other situations, whether it is highways or other types of developments.

Mr. DENHAM. Thank you. Mr. Upton, it sounds like the routing of the proposed high-speed rail line through your area has been confusing, at least. You have gone through several different renditions of what this route could be. How would you describe your current relationship with the High-Speed Rail Authority after those objections?

Mr. UPTON. Our current relationship is it is the best it has ever been, OK? Early on, the first couple of years, we caught them lying to us several times, and that does not bode well for a relationship. So with the addition of the new people and the Merced to San Jose group and Ms. Diana Gomez, it has been a more refreshing ap-

proach with it. But the bottom line is at the end of the day, we have to see routes that are compatible with our existing infrastructure and supported by the community.

Mr. DENHAM. And as you have testified, they are listening much better than they ever have been before. Do you have current suggestions for them on how we move forward? With other landowners as well.

Mr. UPTON. Well, I think the process of having the open houses and having the comment cards and that kind of thing is good if it works. One of the frustrating things about this is I cannot tell you how many comment cards and how many open houses, how many times we have done this. So it is a little bit frustrating when they would come back and say, well, we want to know what you think and how you feel about it. They already know that, OK? So maybe they just do not like what they are hearing.

But it seems like this group has taken a more responsible approach with a little bit of integrity. And I hope I am not speaking out of turn here, but I hope that it results in some actual routes that reflect the community's wishes and is compatible with our infrastructure.

Mr. DENHAM. Thank you. And, Mr. Richard, you have provided the committee with the parcel numbers along that initial segment. Would you also be willing, as Mr. Upton and other landowners, before reaching into eminent domain, adjusting parcel lines if you have the ability to adjust which parcels may make slight changes along the same route?

Mr. RICHARD. I am going to need to check with our folks about that. I would like to be as flexible as we can be. We have to stay within the bounds of the State and Federal environmental process. There may be some amount of flexibility. If we deviate from that too much, I think we run into problems.

But let me make this commitment to you, Mr. Chairman. We are going to do everything we can to work with landowners in a positive, productive way. There may be some people who simply do not want to do it. That is fine. But I know that you know our vice chairman, Tom Richards. He is from the valley, a very decent man. He and I have talked about this, how we want to approach people to make sure that they are fairly compensated for any land that we offer.

We will continue to work with your office on this and keep you apprised of what we are doing with these landowners, because I know that you have a very strong interest in this.

Mr. DENHAM. Thank you. Mr. Costa.

Mr. COSTA. Thank you, Mr. Chairman. Mr. Thompson, let me just indicate that your earlier comment about part of the purpose of the peer review is to strengthen the project is to be commended. And that continued advice will be much appreciated.

Mr. Smith, you talked about the economic impacts to our valley and to our State with this major infrastructure project. There has been a lot of talk about different jobs numbers that will be created with the first 138 miles in the two phases. Is 20,000 jobs per every billion dollars spent, do you think that is accurate?

Mr. SMITH. Well, I am not an expertise in that area. Mr. Thompson might have some input in that because he and I talked about

that issue just a little bit before the hearing started. But from all indications, whether it is 20, whether it is 19, whether you do it in hours or jobs, the impact is going to be enormous into our valley.

Mr. COSTA. You talked about your time here in the valley 20 plus years, and you and I have interacted over most of that time, I believe. One of the constant complaints, I think, that we get about living here in our valley, and I am third generation, is that we oftentimes when it comes to investing in major infrastructure projects are funding formulas for transportation or funding formulas for schools, go down the list, that we get short-changed from the Bay area and southern California.

Now all of a sudden, we have the opportunity to be the key segment in beginning this enormous infrastructure project. That is kind of different, is it not?

Mr. SMITH. Well, I think it is a game changer. I mean, I really do believe that going forward in the next 20 years, if this project continues on and is done, and you can argue about how it is done and you can nibble around the edges about whether it is wrong, right, or indifferent. But if the project is successful, I think it is going to completely change the complexion of the Central Valley.

As the urban areas become more congested, as the cost of living in those areas for businesses as well as for residents continue to sort of strangle those people on the coast and those larger cities, they are going to be looking for places to move to, their businesses as well as their homes. And they are going to have to look at areas like the Central Valley. And having a great efficient transportation structure, I think, is paramount to make that happen.

Mr. COSTA. An interconnected transportation structure.

Mr. Richard, some of the most vocal critics, as you know, have been landowners and farmers. And I have been very concerned about that in every conversation you and I have ever had since you took on this responsibility. It comes from my concerns about maintaining our valley's number one economy and doing what we continue to do best.

Can you tell me what specific steps you and board members and your staff have taken to try to really sit down in the affect corridor routes to try to meet with farmers and landowners?

Mr. RICHARD. Well, Congressman, I am a person who lives in the Bay area. Over the last 18 months, I have personally spent quite a bit of time in the valley in, I think, all the counties up and down the alignment. We have met with individual landowners. We have also met with representatives of agricultural growing operations. And, you know, I had a chance to listen to them. As I like to say, I have stood in Sam Gaspar's milking barn in Hanford. I have been on people's dirt where they are growing organic cherries and almonds, pistachios and so forth. And so I have seen some of this in ways that I, frankly, have never understood it before as a northern Californian. And I think it is critical for us to preserve the valley and the agricultural resources.

We have made alignment changes as we were looking at the Merced to Fresno Corridor that protected a major food processor there. We are currently in discussions in the Wasco-Shafter area with large growers there. It is not like they particularly want to wake up with high-speed rail coming through, but they have got

one alignment that works for them and one alignment that very definitely does not. We are working with them to try to work on those issues. Kings County, we will be having another conversation next week with Kings County leadership.

We have spent a lot of time—myself, Mr. Morales, Ms. Gomez, and others—certainly trying to do a better job of reaching out to the agricultural sector and listening to them. And we are making alignment changes as a result to try to minimize the impact on agriculture.

I also want to say that the settlement that we entered into with Ms. Raudabaugh's organization, I think, is going to form a great template for agricultural protection going forward, particularly with the unique problem of going across farms and orchards at an angle and leaving remainder properties that would otherwise be——

Mr. COSTA. Stranded properties in terms of diagonal corridor.

Mr. RICHARD. Right. And so the agreement that she hammered out that we have agreed to, I think, is going to be much better for people in those situations.

Mr. COSTA. Thank you.

Mr. DENHAM. Mr. Valadao?

Mr. VALADAO. Thank you, Mr. Chair. Mr. Verboon, when was the last time you met with the High-Speed Rail Authority? Have you reached out, and are you meeting with them any time soon?

Mr. VERBOON. The last official meeting we had with the High-Speed Rail Authority was June 10th, 2011, and we left them with an idea to speed up the dairy permitting process. And we have not heard from them since. They have been vacant in our area for some time.

We have left every Tuesday open since that day and have not heard from them until about 10 days ago, got a call from Diana Gomez, asked to meet. And we set up a coordinating meeting in our chambers on June 4th. So they have been absent for 11 months.

Mr. VALADAO. So June 4th, that is next week, right?

Mr. VERBOON. Yeah.

Mr. VALADAO. All right. And I apologize if I butcher your name. I think Anja is probably better.

Ms. RAUDABAUGH. That is fine. You can say that.

Mr. VALADAO. I understand some of your members are concerned about the Authority's use of eminent domain. How will this affect your Farm Bureau members, and how long does the litigation process take, if it comes to that?

Ms. RAUDABAUGH. Well, I understand we have also deployed an eminent domain attorney. But I understand that standard eminent domain is at least a delay of 4 months. And unfortunately or fortunately for the condemnee, it actually works out really well if you are a victim of eminent domain to file and essentially become a plaintiff in an eminent domain case. So it almost removes the pro or anti project position and makes it more of a financial decision.

And that is actually something that, for what it is worth, we have accepted in Madera County. We are very concerned, though, that the ultimate funding that has been estimated for project acquisition or parcel acquisition is actually about four or five times

more, which is usually what is yielded out of an eminent domain case.

So again, it is a one-way ticket. Not to use too much of a railroad pun, but when you buy ag land for this purpose, you cannot go back. So we are really worried that even the offers are going to damage our operations to such a point that the ultimate endowment accounts cannot be funded with the proper level of a fair market starting price before you go into evaluation hearing.

Does that make sense?

Mr. VALADAO. Yeah. Have any of your members actually been in conversations with the High-Speed Rail Authority about land acquisition?

Ms. RAUDABAUGH. Oh, yes.

Mr. VALADAO. And are they starting to see some prices?

Ms. RAUDABAUGH. No prices yet. In fact, that is something that Chairman Richard alluded to. There have been several appraisals that I know of. I know there has been a debate about property access throughout this process, which, again, I understand. But some of the meat and potatoes of the appraisal process is actually just starting to formulate because, again, the lawsuit was just settled a month ago.

Mr. VALADAO. And have you seen an actual finalized alignment? Do the farmers know this is going through my property, exactly where it is going, and how it is going to affect them?

Ms. RAUDABAUGH. Generally from Avenue 17, which is just to the north of the city of Madera, to the San Joaquin River, yes.

Mr. VALADAO. OK.

Ms. RAUDABAUGH. Within 200 feet or so.

Mr. VALADAO. Within 200 feet? And what about Kings County, Mr. Verboon? Sorry.

Mr. VERBOON. We do not have an alignment as of yet. We have two proposed alignments, but there is no definite alignment in our county. But we kind of have an idea. There are some markings on the roads, but for the reason being that the High-Speed Rail Authority has been absent from our county, it is hard to know exactly where it is at.

We had a meeting about a month ago with two engineers and Diana Gomez, and they had brought a map with a west side alternative. And we asked them why they chose the west side over the east side, and they said, well, it affected less dairies. It only affected one dairy. And I pointed out five dairies on one page. And I gave them this information, and neither one decided to pick up a pen or a notepad and write down the information that I was giving them. So I felt they were incompetent at that time when you give them information they could use and they chose not to.

Mr. VALADAO. All right, thank you. Mr. Richard, page 4 of your STB filing states that phase one is to be constructed in stages dependent upon funding availability. Would you build the first section from Fresno to Bakersfield if you knew there was never going to be any additional funding?

Mr. RICHARD. Well, I do not——

Mr. VALADAO. It is a yes or no question.

Mr. RICHARD. Yes. Yes, we would.

Mr. VALADAO. OK.

Mr. RICHARD. And I can explain that if you would like, but the answer is yes.

Mr. VALADAO. Really, really quickly because I am running out of time here.

Mr. RICHARD. The reason is because we do believe there will be funding down the road, and secondly, because we believe what we are building will have——

Mr. VALADAO. Well then, your answer—I asked if you believe there is never going to be. So you do believe——

Mr. RICHARD. Right. The answer to your question is, yes, sir.

Mr. VALADAO. OK. So if never connected to anything else, do you still consider this good transportation policy? I mean, because I personally do not believe it is actually going to get any more money.

Mr. RICHARD. But, Congressman, it is still connected to something else, and that is the point. And that is why we do believe that it is a worthwhile first step.

Mr. VALADAO. There is still no money to fund anything connecting the southern tip of this with any of the population south of Bakersfield—Palmdale, L.A., nothing.

Mr. RICHARD. Very quickly, even if that were true, it is still going to be connected to the Amtrak system here, which will have value.

Mr. VALADAO. There is Amtrak between L.A. and Bakersfield. There is no connecting rail. They ride a bus.

Mr. RICHARD. Yes, sir. I would like to answer that question. I understand your time has expired, but I will follow the lead.

Mr. DENHAM. Actually let me start with that same line. I have got a few questions that are similar, but short answers. So you do plan on operating the trains over the initial construction segment of Fresno to Bakersfield.

Mr. RICHARD. We plan to operate trains. They will not be the full high-speed rail trains.

Mr. DENHAM. They will not be electrified.

Mr. RICHARD. Not at the beginning, no.

Mr. DENHAM. And so initially, it will be Amtrak. Amtrak would connect with the north part of the segment, so basically where Amtrak currently operates, it would connect in with this line at some point in Merced?

Mr. RICHARD. Near Madera I think. That is maybe Merced. We come within 102 feet of the Amtrak alignment. And basically what that would do is it would knock at least an hour, perhaps an hour 15 minutes, off the transvalley trip right now on the San Joaquin.

Mr. DENHAM. So where ACE train runs over to Amtrak.

Mr. RICHARD. Right.

Mr. DENHAM. In the short term, at least you would be able to get from San Francisco to Bakersfield.

Mr. RICHARD. Yes. And, Mr. Chairman, the key here is that, as you know, when freight railroads and passenger rail operate on the same line, Federal law limits that speed to 79 miles an hour. But when there is a dedicated line, the trains can go as fast as they can go. And so that means that once we build our track, even if it is not electrified, the existing Amtrak service will be substantially improved because even their existing locomotives could probably hit 120 or something like that. I would look at Lou Thompson.

But it will enable, at the very first step, better trips up and down the valley on the Amtrak line. And then we have the next step line to get to Palmdale.

Mr. DENHAM. So just to be clear, from Madera to Bakersfield would be that initial segment, which is going to be dedicated track for Amtrak specific, which would at least be able to get higher speeds from Madera to Bakersfield at a $6 billion cost.

Mr. RICHARD. Precisely correct. That is right.

Mr. DENHAM. Thank you. Mr. Thompson, I want to talk a little bit about the peer reviews, the group's last review of the 2012 that raised concerns with cost ridership. Ridership is what this whole thing is predicated on. Obviously we are not going to have any private investor if they cannot substantiate these ridership numbers. Can you explain the concerns that you have over ridership?

Mr. THOMPSON. Well, there were a number of concerns expressed about the ridership demand forecasting. The main one that we expressed was not that it was either right or wrong, but that people should understand that when you are making a forecast for what we called the green field project as opposed to a brown field project, you inherently have a lot more range of——

Mr. COSTA. For the audience, you might want to explain the distinction between brown and green.

Mr. THOMPSON. OK. A green field is a brand new project where no service exists now, and we have nothing on which to base the demand forecast except questions that you ask people what would you do if there were a service. Almost every high-speed rail project in the world has been a brown field project in which there was an existing service, and all you were doing was improving it. It is a very different forecasting situation. And the confidence that you have in the results is much greater when all you are doing is improving an existing service rather than building something entirely new.

Mr. DENHAM. The primary ridership numbers are predicated upon pulling people from air travel to train travel, correct?

Mr. THOMPSON. Actually they are more predicated on pulling people from the highway. Far more of the ridership comes from the highway than comes from the air.

Mr. DENHAM. So then the ridership numbers that you are looking at would be the highway travel that is currently up and down Highway 99 in the valley?

Mr. THOMPSON. No. Some relatively small portion of that travel. The imbalance between highway riders and train riders is very great, and all you take is a percentage of the highway travel, and that is what the railway ridership would be made of predominantly. Of course it is significant for airways as well.

Mr. DENHAM. So how do your ridership numbers differ from what the California High-Speed Rail Authority's numbers are projecting?

Mr. THOMPSON. Well, I am not sure they differ. What they have done as they have refined their models is, generally speaking, reduced their demand forecast. So as we stand today, the demand forecasts are lower than they have been in the past.

But we never said they were right or wrong. What we said was be aware that there is a fairly wide range of outcome from these, and just because it says 28 does not mean it cannot be 14 or 42.

Mr. DENHAM. We do not have any private investors here to testify today, but I will tell you I have talked to some of the largest rail companies throughout the world, as well as some of the national providers of trains. None have seen anything that would encourage them to invest at this point. What should give us confidence in these ridership numbers that we will have a private investor in the future?

Mr. THOMPSON. First of all, actual experience. If they build the IOS and they actually will have ridership, and you can see that does give them confidence. But the second thing is that the role of the private sector in this project and, in fact, in most high-speed rail projects, has not been to pay back the investment in the infrastructure. It has been to provide the rolling stock and to operate the system, and to use the operating revenues from that to cover their costs and, in some cases, generate a contribution to infrastructure. The role of the private sector will be wholly dependent on how much of the infrastructure you want them to pay back.

Mr. DENHAM. And my time has expired. Let me just conclude with, of the $68.4 billion that is being proposed, $55 billion of that, if the Federal Government and State government were to be able to come up with that $55 billion, which I think is a huge if at this point, but if it were, are the ridership numbers able to substantiate a $13 billion investment from private investors?

Mr. THOMPSON. I believe that the ridership numbers will be sufficient to cover the cost of the rolling stock and cover the operating costs of the system, including the maintenance. I think what is in question is how much of a contribution above that can be made to the infrastructure. And I really cannot give you a number on that.

Mr. DENHAM. But the investment that you are talking about is not the $13 billion that is currently being proposed.

Mr. THOMPSON. That will wholly be dependent on numbers that we will not know for years.

Mr. DENHAM. Mr. Richard, I would ask you to follow up on that as I come back around for this last line of questioning.

Mr. Costa?

Mr. COSTA. Yeah, thank you very much. Mr. Thompson, I think in your comments, it quite clearly points out the challenges we face, and that is that unlike in Europe and Asia where they have made a commitment to it over the last 40 years, there is no book that has been written on how you build high-speed rail in America. We have had a number of different efforts that have taken place with the Northeast Corridor. We have had other proposals that have been out there. But really we are writing that book today here in California, I would submit.

And so, there are a lot of important questions that have yet to be answered. But if we decide, like we have decided in America for 238 years in our Nation's history, that we are going to do something, we make a commitment, we put America's ingenuity to that using the best of our private sector as well as the private sector public partnership, we have been enormously successful for transportation projects, for water projects.

And I think the peer review area is, I mean, where these pieces fit into place. It is hard, I think, to take the rhetorical question that was just asked to talk about investors from Europe or Japan

or anywhere else, including here in the United States, if, in fact, Congress is still debating about taking money away from the project. I mean, that does not leave a lot of confidence for potential investors. So, I think that we have to be mindful of that. I do not know if you care to comment.

Mr. THOMPSON. Well, I have absolutely no doubt that we can build this system if we want to. There is no question about that. I also have no doubt that there are public benefits from this system that you can never capture from the private sector—pollution, safety, congestion, a number of things. The reasons why the European countries built their systems were not because they wanted to make money. They built them because they had public benefits as well as the private benefits to be——

Mr. COSTA. Plus the public-private partnership.

Mr. THOMPSON. Absolutely. And the trick is to get the partners in the right roles and to get the risks in the right place so that each of them——

Mr. COSTA. And that is why your peer review is so important as we try to make sure we get this right.

Mr. THOMPSON. It is why we have spent a lot of time on the business model issue, for example, because that will be the name of the game in the future.

Mr. COSTA. Right. And to that point, Mr. Verboon, you commented upon whether or not Prop 1A is being appropriately followed, and Mr. Richards commented upon his view that it is. And I guess we will have a judge that will opine on this later or soon as to whether or not Prop A is being followed.

But let me give you a nonlawyer's perspective because I am just a farm kid from Kearney Park. I was the original author of Prop 1A, and I could tell you that it follows the intent, having worked on this effort for almost 20 years in the 1990s when we put together the first preliminary proposal to see whether or not high-speed rail, given the same applications of other parts of the world, could work here, and then coming up with creating the Authority. And I was very upset that the Authority did not work out as I had initially hoped. I think it has gotten better, as I said, in the last 12 months.

But your frustrations are valid. But I will tell you it was always intended to be an interconnected, intermodal, blended transportation system. It is the only way it works. It is the way it has worked in Europe. It is the way it has worked in Asia. You got to connect the existing high-speed state-of-the-art. These will be 220-mile-an-hour trains in corridors to the slower trains. That is what they do in Europe. That is what they do in Asia.

You have got to connect it so you have access to the airports. That is the interconnectivity, so that you can go from point A to point B to point C, whether it is for business or for travel purposes, with a minimum amount of difficulty.

And so, lawyers, I guess, will opine. We had leg counsel opine last year. We will see what the judge determines earlier this year. But I think on that point as a nonlawyer, at least as the person that created the initial legislation, in my opinion, it complies. And we can agree to disagree because that is the wonderful part about

this country. That is not a question. That is not a question. I am sorry.

Mr. Richard, you know, there is a lot of frustration here, and I think you have done your best to try to respond to a lot of aspects of it. In your written testimony, you talk about the new business plan envisioned to modernize the entire State's transportation system. And it is complicated because part of the rail system carries both passengers and freights. What is the largest rail passenger system in the Nation in terms of ridership? What is the largest commitment that we have in the Nation in terms of investment for passenger ridership?

Mr. RICHARD. Well, that would be Amtrak.

Mr. COSTA. And it is in California that we lead the Nation.

Mr. RICHARD. Well, we have——

Mr. COSTA. The second most busiest corridor, the third most busiest corridor, and the——

Mr. RICHARD. Of the top five busiest Amtrak corridors, the busiest is in the Northeast Corridor, but three of the next four are in California: the Capital Corridor, the San Joaquin, and the Los Angeles-San Diego-Lausanne Corridor.

Mr. COSTA. Thank you.

Mr. DENHAM. Mr. Valadao.

Mr. VALADAO. Thank you. Mr. Richard, in every country they do a cost benefit analysis for individual segments that lead to a complete project. Have you done an independent risk analysis for this first construction segment?

Mr. RICHARD. I want to be careful how I answer this question because I believe we have, but I want to make sure that it is consistent with what you may have in mind. But what I would say, Mr. Valadao, is that we have been very clear in looking at building this project in segments that we want each segment to have the funding before we start, and we want it to have independent utility.

The biggest risk is the first segment. There is no question about it.

Mr. VALADAO. The GAO states that the Authority did not conduct a risk and uncertainty analysis, and that was on page 19 of their report. And when you say that this first segment is the riskiest in the starting point, it sounds like it is a pretty serious issue that we should be doing a risk analysis when so much taxpayer money is on the line.

In a recent court litigation concerning the Merced to Fresno AIR, the Authority claimed that amount of estimated cost stated in various master agreements with local agencies totaling $1.5 billion were somehow double counted, and that some of these costs were actually part of the estimated $1.2 to $1.8 billion cost for constructing high-speed DHST project infrastructure for the 29-mile construction package, CP1. Can you explain which of the costs in the master agreement task order were double counted?

Mr. RICHARD. I am sorry, I do not have that information here. We will absolutely provide it for the record.

Mr. VALADAO. OK. Can you confirm the total cost of constructing CP1, including all costs associated with the work outlined in the

various master agreements with local agencies, the cost of ROW project acquisition, and the cost of mitigation?

Mr. RICHARD. The construction package one that the staff is going to bring to the board next is for $985 million. I want to make sure in answering that that way that I have included all of the costs that you laid out. I will, again, confirm that with the staff, and we will follow up on the record.

Mr. VALADAO. Thank you. What do you mean as the people also get for this investment? Do we get a high-speed rail service? Do we even get an electrified system? And it looks like we are getting the first construction, and earth is getting going. But do we actually get an electrified track, or do we have permission, or does the environmental impact report allow us to use diesel Amtrak trains on the existing rail, or the new rail that is going to be constructed right alongside of the existing?

Mr. RICHARD. Yes.

Mr. VALADAO. It does? Does Kings County lose the Corcoran and Hanford station, or are we able to keep those?

Mr. RICHARD. We do not have any plans to stop Amtrak service—it is not ours to stop—between Corcoran, Wasco, and——

Mr. VALADAO. So we will continue to have a Wasco station as well?

Mr. RICHARD. Yes. We are not closing down the station.

Mr. VALADAO. What happens when Amtrak moves, because that is part of the plan for the first segment is to move the Amtrak trains over to the new rail line, and the new rail line does not go through or have any plans for stations there.

Mr. RICHARD. As I have explained numerous times in Kings County, we support the continuation of rail service on those smaller stations.

Mr. VALADAO. So we are going to have two Amtrak trains running literally a couple of miles away from each other up and down.

Mr. RICHARD. We could have express trains as well as local trains. That is very common around the world. But we are not the ones in charge of that. What we are saying is we are creating a facility that Amtrak can use to improve its service. It does not mean we want to orphan these smaller stations. And, in fact, we do not, and I have committed to the people in Kings County and Kern County that we want to work with them and our State transportation authority to make sure that rail service continues there.

Mr. VALADAO. All right, thank you.

Mr. DENHAM. This is kind of off the point a little bit, but pertaining to this. We are doing the passenger reauthorization bill. Is there anything in the new area with Amtrak that would be involved in the new passenger reauthorization bill?

Mr. RICHARD. I think we want to work with your office and Amtrak on that. We have a very good relationship with Amtrak. In fact, our new chief engineer was the chief engineer of Amtrak. Mr. Morales announced an agreement in Washington a few months ago with Amtrak to coordinate on the procurement of high-speed train vehicles because they are looking at things for the Northeast. You know, I think PRIIA gives us a lot of opportunities.

Mr. DENHAM. We would ask you to work with us. That is obviously a huge goal of this committee is to get the passenger reau-

thorization bill done this fall. And if there is any concerns with that, we just want to be upfront in working with you.

Mr. RICHARD. We appreciate your leadership on that bill, Mr. Chairman, and we thank you for that invitation. We will take it up.

Mr. DENHAM. Thank you. And I have a couple of just quick followup questions. We do want to finish by noon, but I will allow my colleagues, if either have additional questions. We can either submit them for the record to be answered at a later date at the conclusion of this hearing, or we can continue on as you see fit.

So let me ask my questions, and if you would like to——

Mr. COSTA. I will make it easy, Mr. Chairman. At this point, all the questions that I have highlighted, I think I have asked. And I will submit any further questions for the record.

Mr. DENHAM. Thank you. And, Mr. Valadao, likewise?

Mr. VALADAO. I will as well.

Mr. DENHAM. Thank you. So just to follow up on Mr. Thompson's point, the $68.4 or $68.5 billion, does that include rolling stock?

Mr. RICHARD. No, it does not.

Mr. DENHAM. So the——

Mr. RICHARD. Wait a second, excuse me.

VOICE. It does.

Mr. RICHARD. It does?

VOICE. Yes.

Mr. DENHAM. So the $13 billion——

Mr. RICHARD. Excuse me.

Mr. DENHAM [continuing]. That a private investor would pay for does include rolling stock as well.

Mr. RICHARD. Yes. They would put up the rolling stock and collect the—and I am sorry, I misspoke. The project total is the project total, which includes rolling stock. So they would put up money.

Mr. Chairman, if I could just take a moment. This approach that we have is not like when I was on BART where we had public employees operating the trains, maintaining the trains. Our fundamental approach here is that we make a public investment. The private sector comes in and bids for the rights to operate that. They will put up the rolling stock. They will collect the fares. They will do the operations and maintenance.

Mr. DENHAM. With no ongoing subsidy.

Mr. RICHARD. With no ongoing subsidy. That is not only the law, but that is also what we think is appropriate, and it is consistent with what has happened around the world. We do not see any need for an ongoing subsidy. In fact, our hope is that we will be like the line in France that just paid back hundreds of millions of euros to help pay off some of the existing cost of the capital of the system. We cannot promise you that at this point, but that is what we believe will happen.

Mr. DENHAM. Thank you. And of the $13.3 billion or $13.1 billion that would be the private investment, what percentage of that is rolling stock versus actual asset infrastructure?

Mr. RICHARD. I do not know the answer to that question. I think Mr. Thompson is right. I want to point out for this committee that we are refining our models in ways suggested by his group as well

as by the GAO. And I think the GAO report has become a little bit like astrology: everybody gets out of it what they want.

I am looking at their quote that said, you know, our funding, which relies on both public and private sources, faces uncertainty. Yes, that is true. The Authority's plan recognizes the uncertainty of the current funding environment so is building the project in phases, and has identified an alternative funding source. And they said that that is a reasonable approach to doing this.

Mr. DENHAM. Thank you. And just clarifying for the record, I have talked to the French. They are investing in rail all over the world, and they are not doing it just because they think that is great for air quality or environmental quality. They are doing it because they are doing it in places where they can turn a profit for France——

Mr. RICHARD. Sure.

Mr. DENHAM [continuing]. And for their company. Let me just close. The one thing that we did not touch on today, which is an important part of this, you have entered into a contract with Tutor Perini, the construction bid on this. We have a number of questions pertaining to that bid process that we will submit in writing.

But the one thing that did come up in chapter 2 of the business plan, you explained that the private sector will be retained for design build contracts. And the benefits of doing so are to eliminate the risk, especially cost overruns, which are transferred to the private sector.

Mr. RICHARD. Right.

Mr. DENHAM. So can you promise us today that because we went to a construction package one, the citizens of California will not have to pay anything in this initial project because it is on the private investor to have 100 percent of that cost controlled?

Mr. RICHARD. What I can tell you, Mr. Chairman, is that absolutely using design build will minimize any risk of overruns. I am not going to sit here and promise that there will not be because there might be something that happens.

I will tell you that I worked, when I was on BART, with this contractor. They built the BART to San Francisco Airport project. They also built the new airport terminal. Both were under design builds. Our experience with them under a design build contract was that it was completed on time and within our project budget.

Mr. DENHAM. Are the cost overruns because of change orders or are they cost overruns because a private industry did not manage the project?

Mr. RICHARD. Well, in one case we had somebody run over an endangered snake, which shut us down for a couple of weeks. But, I mean, generally what happens is because the—yes, I know.

Mr. DENHAM. We have a lot of ferry shrimp here in the valley. Those are hard to see.

[Laughter.]

Mr. RICHARD. I get it. But generally what happens, normally what is the normal cause of overruns is that somebody is handed a design, and then is able to say, oh, well, this design does not work, and they come in and say, now we are hitting you with a change order.

Under a design build contract, they are handed about 30 percent of the design. They complete the design and build to their own design. It makes it very hard for them to come in and say the two pieces did not fit here when they are the ones having to complete the design.

I agree with Lou Thompson. There are risks in design build contracts. We need to stay on top of those risks. But in general, we think it is the best protection that the public has against overruns.

Mr. DENHAM. So the $983 million that is set aside for construction package one, if there are overruns, is there a contingency? Is there a 10-percent contingency?

Mr. RICHARD. First of all, if there are overruns, they are on the contractor, unless there is something that we did. And we do not think that that is going to be the case.

Secondly, in terms of our contingency, what it would probably mean is that for the next segment from Fresno down to Bakersfield, we would have to build fewer miles of track. That is the way we are sort of handling contingencies here as opposed to setting aside a dollar amount. But we feel very good about these numbers. GAO felt pretty good about our forecasting methodology.

Mr. DENHAM. Thank you. And the final question, this question has come up a lot in our conference. When we go back to Washington, DC, after the August break, we are going to be working on appropriations bills, funding bills, as well as what came up last year under the transportation bill. If there is a $38 billion shortfall, or there is a shortfall of any magnitude that the Federal Government is going to have to come up with money for, the question that my colleagues have come back to me and asked for the other 49 States that will contribute to the State of California, why would not the California voters demand that this goes back to the ballot? If it has gone from a $33 billion project to a $68 billion or whatever the final number may be, at a certain point, do you feel the need to go back to voters?

Mr. RICHARD. I think if you look at Proposition 1A, Mr. Chairman, voters' protection, I think, as the first line of defense was that the proposition by its terms required the legislature to appropriate the money. And these questions were before the legislature last year.

I would just say, and I know there are a lot of questions here, and I am sure you want a lot of them answered. I would like the opportunity to do it. But, Mr. Chairman, we are not going to be coming to you in your role on this committee or to your colleagues looking for $50 billion of Federal appropriations.

We are going to build this in pieces. The next piece after the valley is to jump over the Tehachapis to get to Palmdale. It is about $10 billion. We have about half that money right now from the bonds that are left. We think we can get there. That will be an incredibly useful project and will answer Mr. Valadao's concerns about getting us to the gates of L.A.

With each step, we will come to you where we are asking for Federal support, having looked at the other things that we can do to put the dollars together. And we have laid out some of those in our testimony. But that is now we feel we can build this in piece

in a careful way, and it is not going to depend on those levels of Federal dollars.

And I think there is a whole lot of other private sector dollars from concessions and other things that we have just started to look at. The High-Speed Rail Authority in the past had never looked at those things. As I said, in Japan, 30 percent of their revenues come from real estate around the stations, the opportunities looking at Fresno, Bakersfield, other places, Palmdale. That is why some of the mayors there are very excited in Palmdale and Fresno. So we think that there are a number of different things.

We are going to do our job to put as many of those pieces together before we come to you, Mr. Chairman, and ask you for Federal dollars. And when we do, we may look for things in new forms that are not just the old grants, earmarked grants, that your Congress has basically moved away from, but areas where we can work together to accelerate and focus private sector investment.

And I know that that is your interest, and, Mr. Chairman, we are committed to that, too. We think that there are some things that could be done in PRIIA or other places that can get the private sector involved earlier.

So it is a complex topic. There are risks with this program, but there are great benefits. Our job is to manage those risks. We are getting lots of advice as to how to do that. We really believe we can build this project for the benefit of Californians and not leave people hanging out to dry with something that does not have value. And I appreciate you letting me make that statement right at the end.

Mr. COSTA. Mr. Chairman, would you yield on that point? I appreciate all the time and effort, Congressman Denham, that you provided in this effort, both when you were in Sacramento and now. I would just like to opine that I think the projects that we build that we invest in California, or anywhere else in the country, will, at certain times, be more popular or less popular. But I think it is the legislature's responsibility not only to determine whether or not they want to issue the bonds that the voters approved, but also they have, as was stated by Mr. Richards, the approval by the Federal funding that we have achieved.

I am a big supporter of Temperance Flat, a reservoir proposal that is up here. I hope that we will have a ballot measure next year that will provide funding for Temperance Flat. It is currently advertised at $2½ billion. I do not know if that will be the ultimate cost.

I would hate to see a precedent set where we pass a water bond measure next year, we commit to build water storage projects, and then it becomes unpopular for whatever various reasons. I remember the Dinkey Creek project, the PG&E cost overrun, and became very unpopular, and that we did not complete it. It is complete today. And I hope we will be able to get the funding for Temperance Flat, and that we will complete it.

But, gee, if it became unpopular 4 years from now or 6 years from now, and we decided, well, gee, maybe we ought to go back to the voters again, we all are so frustrated. It is so hard to get things done. And let us work together. Let us work through this

so that we can get things done, whether it be for water or transportation.

Thank you very much, Mr. Chairman.

Mr. DENHAM. Thank you, Mr. Costa. And as always, we look forward to working in a bipartisan fashion on this. And I think the difference is and the challenge here is, the $9.95 billion was approved by California voters. And there is a $38 billion shortfall that we are going to have to convince our colleagues whether or not this is a good investment for the other 49 States. That is something we will continue to discuss.

And we certainly have a number of questions for a number of our witnesses here today that we will submit and ask for the record. I will ask you as a valley representative, as chair of the committee, we have a lot to work on with high-speed rail. We certainly have a lot to work on with the passenger reauthorization bill. But as a valley legislator, as valley legislators, all of us, this is about constituent services as well. And so, as we move forward and look at each of these individual parcels and the farming that is going to go on, the businesses that are going to continue on, we want to make sure that as constituent services, that we are addressing our community needs as well. And so we will be discussing each of those from that perspective as well.

If there are no further questions from any members of the committee? Seeing none, I would like to thank each of our witnesses for their testimony today.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing, and unanimous consent that the record remain open for 15 days for additional comments and information submitted by other Members or members of this panel today and witnesses to be included in the record of today's hearing.

Without objection, so ordered.

Mr. DENHAM. I would like to thank our witnesses again for their testimony. If no Members have anything to add, the committee standards adjourned.

[Whereupon, at 12:09 p.m., the subcommittee was adjourned.]

STATEMENT OF
DAN RICHARD
CHAIRMAN OF THE CALIFORNIA HIGH-SPEED RAIL AUTHORITY
BOARD OF DIRECTORS

BEFORE THE
SUBCOMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

"Oversight of California High-Speed Rail"

May 28, 2013
Madera Community College Center
Madera, California

Chairman Denham, Ranking Member Brown, and Members of the Subcommittee, it is my distinct honor and privilege to appear before you today to discuss the California High-Speed Rail Program. I am Dan Richard, Chairman of the Board of Directors of the California High-Speed Rail Authority (Authority). In this statement, I will begin by reviewing why California regards this investment as critical to our state's future prosperity, especially in light of the population growth and environmental challenges we face in the coming decades. I will then provide a brief account of the development and evolution since 2008 of the California high-speed rail program, the Authority and our current Business Plan. Lastly, I will summarize our recent accomplishments and lay out our priorities for moving forward with construction of the nation's first high-speed rail system this summer.

The vision that has sustained this program over the years – through both challenges and opportunities, and through setbacks and steps forward – is to develop a new, fast, reliable high-speed rail system to help keep the State of California and the nation moving as we grow. I am pleased and proud to report that over the last year, we have taken a number of tangible steps forward and made tremendous progress in furthering this vision. They include:

- The adoption of a the 2012 Business Plan that presents a logical and feasible means of developing the program through a phased implementation strategy and "blended investments" to be made in concert with the state's other passenger rail providers.
- A fundamental shift in vision that has been brought into clearer focus and central to it is a statewide rail modernization plan with high-speed rail at its core.
- Creating partnerships with other state and regional agencies and are working together on bringing the longer-range vision to fruition while also making early investments to generate early benefits.
- Filling out the Authority's executive team, bringing new talent and leadership to manage this vast program.
- Gaining approval and appropriation from the California State Legislature to begin construction.
- Receiving the Record of Decision from the Federal Railroad Administration (FRA) on the Merced to Fresno section, clearing the path for construction to begin in the Central Valley.

- The Government Accountability Office issued a report after the most extensive audit to date of our program, giving the Authority high marks in each area it studied – cost, revenue, ridership and economic impact analysis.
- Taking a major step forward by reaching settlements on three lawsuits filed by citizens and communities here in the Valley, after working hard to understand and address their concerns about how the system will affect them.
- Received, evaluated and opened bids on our first design-build contract in the Central Valley which also paves the way to break ground this summer.

Investing in High-Speed Rail to Accommodate Future Mobility Needs of a Growing Population

The starting point for considering why investing in high-speed rail is the reality that California continues to grow in population. Much of our infrastructure was built during the Administration of Governor Edmund G. (Pat) Brown when the state had less than half the population that it has now. In the 35 years I have lived in this state, the population has grown from 22 million to approximately 38 million. Sometime in the next 35 years, the state will exceed 50 million citizens, a gain equivalent to adding the population of Ohio. Therefore, the state must make critical infrastructure investments to accommodate its growing citizenry, millions of visitors from around the world, and to keep its economy thriving. These investments must be in transportation, water, energy, and education, all of which are priorities for our Governor and our Legislature.

Yet, as you know well, Mr. Chairman, we face many constraints in making the necessary commitments to meet these growth challenges. California has serious environmental constraints on growth; we must protect air quality, preserve water and our unique and precious agricultural resources, and be thoughtful about land use. Our strongly-held view, which I will discuss below, is that expanding our existing network of roads and airports will be more expensive and more difficult to achieve than taking a different course. The leaders of our state, including not only this Governor but many of his modern day predecessors, as well as our Legislature and the people themselves, have determined that the development of an advanced high-speed rail system is a wise choice for meeting these mobility needs. The people of our state endorsed this view in 2008, when they voted to support issuance of almost $10 billion in bonds as the first step to develop this system. Shortly after that vote, the President and U.S. Congress provided additional support for the initiation of high-speed rail service in the United States.

As the Chairman of the Board of Directors of the California High-Speed Rail Authority, my fellow Board members and I are committed to building and implementing the first high-speed rail system in the United States. While you know this program has been controversial, we enjoy the support of Governor Brown, our Legislature, the bipartisan mayors of our largest cities, business leaders throughout the state, and the opinions of our major metropolitan newspapers. Our goal is to provide critical linkages between our economic mega-regions and, by 2030, provide a way for people to travel between San Francisco and Los Angeles - and major cities in between - in under three hours. Our vision is that business travelers, leisure travelers, and tourists who come here to experience all that California has to offer will be able to travel quickly, conveniently, and comfortably to and between the hearts of our vibrant urban centers. Like systems in Europe and Asia, when travelers arrive at their destination by high-speed rail they will be able to make easy, seamless transfers to urban transit systems like Metro in Los Angeles, Bay Area Rapid Transit (BART) and Muni in the San Francisco Bay Area, and the Santa Clara Valley Transportation Authority in the Silicon Valley; or to one of our intercity rail lines or commuter rail lines, like the Amtrak San Joaquin service and the Altamont Commuter Express (ACE) train here in the Central Valley, to continue their journey wherever it may take them.

As you know, a similar effort is underway to develop a dedicated high-speed rail corridor between Boston and Washington, D.C. called NextGen high-speed rail, which is planned for implementation between 2025 and 2040. Both the California and Northeast Corridor (NEC) are key drivers of the nation's economy and both feature some of the country's busiest roadways. In California, auto congestion drains $18.7 billion in wasted time and fuel every year[1] and flights between Los Angeles and the Bay Area – the busiest short-haul market in the U.S. – are also among the most delayed in the country. There is clearly significant demand for intercity travel today and, as our population continues to grow, that demand will only increase. High-speed rail will integrate a new and much-needed element into California's transportation network to help ensure our state can keep moving toward a brighter economic and environmental future.

Simply put, as Chairman Shuster said, "transportation is about business." Fast, reliable connections between economic centers allow businesses to compete in the global marketplace. Those that came before us understood that and made a decision to build the Interstate Highway System, which spawned tremendous economic growth. Like them, we are developing forward-looking systems to help connect the industries of the 21st Century, and do so in a way that protects the environment and encourages sustainable community development. To that end, Amtrak and the Authority are collaborating to advance both programs, including joining forces in the search for proven high-speed rail train sets currently being manufactured and in commercial service that are capable of operating safely in excess of 200 mph.

Let me make a few more points to reinforce how critical I think this investment is to our state and nation's economy. California is an economic powerhouse. If it was a country, and size was measured solely by GDP, we would be the ninth largest economy in the world with nearly $2 trillion GDP in 2011. Los Angeles, with its diverse economy, is the second largest city in the nation, and San Jose, home to Silicon Valley is the tenth largest. San Francisco is the 14th largest city and the second most densely populated major American city. We are home to world-renowned research universities including Stanford, USC, UC-Berkeley, UCLA and emerging centers of excellence like UC Merced and the California State University system. Many of the graduates of these and other universities go on to create or work for small, innovative start-up companies. Others go to work for one of the major Fortune 500 companies located here in California such as Apple, Hewlett Packard, Disney, Wells Fargo, and Occidental Petroleum.

Keeping our businesses connected to each other and to other companies around the world is critical for keeping our economy moving, and California has proven a growing demand for intercity travel – both by rail and by air. Over 8 million passengers per year fly between the Bay Area and Los Angeles area airports.[2] Even though we lack a critical rail link between Northern and Southern California, which we hope to close as quickly as possible, our Capitol, San Joaquin and Pacific Surfliner corridors rank second, third and fifth in the nation, carrying over 5.5 million passengers annually. Between 1997 and 2012, ridership on these three intercity passenger rail corridors grew by 256 percent, 66 percent and 61 percent respectively.[3]

And of course the main part of building a strong economy is jobs, jobs, jobs. California's high-speed rail system will do more than provide an efficient, economical, environmentally-friendly and safe way to travel around the state. Building and operating the high-speed rail system will directly employ tens of thousands of Californians while indirectly generating tens of thousands more jobs throughout the larger economy.

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[1] The Road Information Program. 2009. TRIP Analysis of Highway Statistics, 2009, Federal Highway Administration (cited by Transportation California).

[2] Research and Innovating Technology Administration Bureau of Transportation Statistics

[3] Brookings Institute. A New Alignment: Strengthening America's Commitment to Passenger Rail.

As described in the 2012 Business Plan, work on the first segment of the high-speed rail system in the Central Valley will start this summer, putting thousands of Americans to work. The Central Valley has been hit particularly hard by the national recession, with the construction industry in the area facing some of the highest rates of unemployment in the state. High-speed rail construction will create 20,000 jobs annually for the next five years. These jobs will go to the people who need them the most, providing a significant boost to both the local economy here in the Central Valley and the economy of the rest of the state as a whole, while contributing to the national recovery.

In addition to construction jobs, we anticipate considerable permanent employment associated with operating and maintaining the high-speed rail system. From train operators and maintenance yard workers to station managers and operations planners, high-speed rail will create permanent jobs that will always remain here. For example, the Initial Operating Section (IOS), once fully operational, is expected to directly employ an estimated 1,300 people.

Though I have largely focused on improving California's economy as a main justification for high-speed rail, many Californians also recognize and strongly support the environmental benefits of this transportation project.

As you may be aware, in 2006, California passed the Global Warming Solutions Act, commonly referred to as AB 32, which called for the state to reduce Greenhouse Gas (GHG) emissions to 1990 levels by 2020, and then by 2050 to further reduce GHG emissions to 80 percent of 1990 levels. One of the key strategies the state is employing that is critical to reducing GHG emissions is an integrated alternative to single-occupancy vehicle trips. The high-speed rail system, combined with existing transit, commuter and intercity rail systems, as well as strategic land-use decisions, will result in significant reductions in GHG emissions, improving air quality statewide. In its 2008 Scoping Plan, the California Air Resources Board (CARB) listed the high-speed rail system as, "one of the significant state projects," to make a positive contribution on the issue of global climate change.

OVERVIEW OF THE AUTHORITY'S PROGRESS

The Authority and the high-speed rail program have gone through an evolution in the past few years, including a new vision, new leadership and staff, and implementing a funding plan to start construction. As I have said, we went from a dream to reality and I want to highlight how we got where we are today.

When I joined the Authority Board of Directors in August 2011, the focus at the time was on the issuance of the Draft 2012 Business Plan, released in November 2011. The Draft Plan detailed the true cost, in inflated year of expenditure dollars, for a fully dedicated, high-speed rail system connecting San Francisco and Los Angeles.

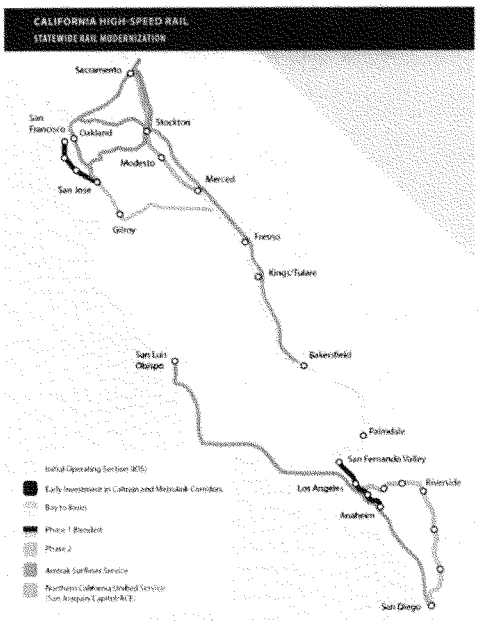
Shortly before the Draft Plan was released, Governor Brown reaffirmed his commitment to the project, and tasked the Board of Directors and the Authority with redefining the approach of implementing the project in order to bring down the cost, provide immediate benefits to the taxpayers, and improve integration between the high-speed rail system and California's existing transportation infrastructure.

With these guiding principles in mind, and input from numerous stakeholder groups, the Board of Directors adopted a Revised Business Plan (2012 Business Plan) in April 2012 that featured several improvements which serve as our foundation for implementing the high-speed rail system as part of the state's overall rail modernization program.

The Blended Approach

In the 2012 Business Plan, the Authority recognized and committed to the benefits of shared corridors as part of what has come to be known as the Blended System. The Blended System will benefit California's overall passenger rail system by beginning construction on dedicated high-speed rail infrastructure in the Central Valley, while investing in improvements to existing regional rail systems that high-speed trains will ultimately utilize to connect the mega-regions of the state. The Blended System strategy includes electrifying the Caltrain corridor between San Jose and San Francisco in a manner that allows future use by high-speed rail trains, as well as improvements along the Metrolink corridor between Palmdale and Anaheim. These early investments, made in collaboration with regional transportation partners, will lay the foundation for the high-speed rail system as it expands to connect the state, at the same time providing immediate benefits to the millions of Californians currently using these existing systems every year.

The blended approach does not degrade ultimate high-speed rail service times. It was always the case that in some stretches of the system, trains will travel at speeds in excess of 200 mph, but travel in densely populated urban areas requires lower speeds. Because, the cost to construct dedicated high-speed rail tracks is more expensive, the Authority sought to identify areas where upgrading and improving existing systems, as opposed to building wholly new infrastructure, made sense. By developing partnerships with existing transportation agencies, the Blended System brought the overall cost of the high-speed rail system down by close to $30 billion.



A Statewide Rail Modernization Program for the 21st Century

In concert with the blended approach for lowering costs and reducing community impacts, the 2012 Business Plan laid the foundation for a statewide rail modernization program that called for parallel strategic investments in urban, commuter, and intercity rail systems to provide improved connectivity to the high-speed rail system. As part of this effort to create an integrated statewide transportation network, the Authority is working in concert with its rail partners throughout the state, including the Department of Transportation (Caltrans), ACE, the Peninsula Corridors Joint Powers Board (Caltrain), and the Southern California Regional Rail Commission (Metrolink), to name a few. Linking rail systems will greatly improve the state's mobility and economic competitiveness, and as previously stated, reduce greenhouse gas emissions and other pollutants.

Ridership growth in California on its urban transit systems demonstrates that there is demand for greater mobility and connectivity through public transportation, particularly by rail. These improvements will build upon already growing patronage, which will in turn increase demand for connections to and with the high-speed rail system when it is implemented. Together, all of these investments will create a new, modern statewide rail network that will keep California moving for decades to come.

The 2012-13 State Budget: Initial Funding for Rail Modernization

In 2008, California voters approved the *Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century* (Proposition 1A), which authorized a total of nearly $9 billion in bonds to construct a high-speed rail system connecting San Francisco and Los Angeles via the Central Valley, with future extensions to Sacramento and San Diego. Additionally, Proposition 1A authorized $950 million for urban, commuter, and intercity rail projects that would enhance connectivity to the high-speed rail system and improve passenger safety.

Then in 2009, the United States Congress passed the *American Recovery and Reinvestment Act* (ARRA), wherein the High-Speed and Intercity Passenger Rail (HSIPR) Program was provided $8 billion. The Authority applied for, and was awarded approximately $1.9 billion to begin construction of the system in California's Central Valley. A combination of ARRA funding returned by other states and federal Fiscal Year 2010 appropriations brought the overall federal investment in the program to almost $3.5 billion.

In July 2012, the California Legislature approved Senate Bill 1029 (SB 1029), a component of the 2012-13 Budget Act, which appropriates $2.6 billion in state bond funds and $3.2 billion in federal funds to begin construction in the Central Valley. Additionally, SB 1029 authorizes $1.1 billion in bond funds to match over $600 million from local sources in Northern California and $500 million from regional partners in Southern California to begin implementation of the Blended System. As mentioned above, these funds will be used to upgrade, electrify, and modernize the highly popular Caltrain corridor in the San Francisco Bay Area and to improve the Metrolink corridor in the Los Angeles Basin between Palmdale and Anaheim in anticipation of high-speed rail service. Finally, SB 1029 provides $819 million in connectivity funds for investments in urban, commuter and intercity rail programs statewide. All of these investments taken together provide the beginning of what will ultimately become a modernized and fully integrated statewide rail network.

A benefit of the $4.5 billion in Proposition 1A funds appropriated for rail modernization is that it leverages other regional, state and federal funds, resulting in almost $13 billion of improvements to California's rail systems. All projects benefiting from the statewide modernization program are outlined in the attached "Connectivity and Bookends Fact Sheet."

Partners in the Statewide Rail Modernization

As part of the development of the 2012 Business Plan and the appropriation of the funding to begin work on the statewide network, the Authority recognized a greater need to involve state and regional transportation partners. The high-speed rail project has served as a catalyst for the pursuit and development of many regional rail improvements. As we are in Madera County in the heart of the Central Valley today, I would like to focus on our collaborative efforts here in the Central Valley regarding the integration of the San Joaquin intercity and ACE systems with the high-speed rail system.

The San Joaquin intercity passenger rail service extends 365 miles between the San Joaquin Valley, Sacramento and the Bay Area providing direct rail service to 11 counties with 17 stations along the route. Extensive connecting bus services bring the San Joaquin service to the rest of the state as well. As I have noted, ridership on the San Joaquin service has increased dramatically in the last five years making this one of Amtrak's fastest growing lines. Its 90 percent on-time performance also makes it one of the most reliable rail services in the nation. With ridership now over 1.1 million annual riders, the San Joaquin service significantly reduces automobile vehicle miles traveled in the San Joaquin Corridor. This eases congestion on State Route 99 and helps improve air quality in the San Joaquin Valley. The San Joaquin service will serve as a perfect complement to the high-speed rail system in the near term. It will play a particularly important role in supporting the operations of our Initial Operating Section (IOS) by connecting passengers to the Bay Area and Sacramento before our high-speed lines are extended. The Authority continues to work with the Northern California Rail Partners Working Group to identify the necessary improvements to increase frequency, reduce travel times, extend the service to additional markets, and improve the safety and reliability of the system.

Turning to the Altamont Corridor, for nearly 15 years ACE has served commuters, connecting the San Joaquin Valley, Eastern Alameda County, and the Silicon Valley. With a recently added fourth-daily round trip, ACE ridership is at an all-time high with over 1 million annual riders. In October, ACE will open a state-of-the-art maintenance facility which will improve current operations and help enable future growth of the service.

Collaborating with the San Joaquin Regional Rail Commission (SJRRC), which administers the ACE system, the Authority's focus will be on facilitating the delivery of near-term incremental improvements to the existing ACE service. These improvements include connecting the ACE service to the northern terminus of the IOS in Merced by 2022. It should be noted that ACE is planning to expand – first to Modesto, then to Merced, and finally to Sacramento. Opening up new commuter and intercity markets will also allow ACE to play a critical role as a "feeder" service to high-speed rail. The Authority is committed to working with SJRRC to help secure the necessary funding to implement these expansion plans.

As I have stated, the Authority's leadership, at the direction of Governor Brown, has greatly refined its vision for high-speed rail in California. This shift from the previous thinking of high-speed rail as an insular, separate engineering exercise to one where it is integral to the broader transportation system, has led to greater support from both the public and rail operators throughout the state.

Administration and Oversight: Government People Making Government Decisions

Since completion of the 2012 Business Plan, we have made a great effort to bring together a world class team to lead the implementation of the program. One noteworthy criticism of the program in years past was that it relied too heavily on consultants and that key leadership positions were vacant. To that end, since early 2012, we have filled all of the positions on our Executive Team with highly qualified individuals with proven records on infrastructure project management and delivery. We have added dozens of state staff at the Authority to take

over the work formerly done by consultants, yet we will remain lean and rely on support from the private sector, as this strategy best suits the project.

In addition to growing our headquarters team in Sacramento, we have brought on three Regional Directors and regional staff to ensure that we have a strong presence across the state and in local communities. These regional teams are working directly with stakeholders and citizens affected by the project. We are pleased to have our Central California Regional Office open in downtown Fresno. We are also opening offices in San Jose and Los Angeles.

As we have been building our team, I am happy to report that many outstanding concerns expressed by the Legislature, the independent Peer Review Group and the California State Auditor have been addressed. Specifically, in January 2012, the California State Auditor, tasked with providing "nonpartisan, accurate, and timely assessments of California government's financial and operational activities in compliance with generally accepted government auditing standards," released a report recommending the Authority take several actions related to the management and implementation of the high-speed rail project. In total, this report made 23 recommendations related to consultant oversight, risk management, expenditure tracking and cost reporting, staffing, information technology, and contracting practices. To date, the Authority has fully implemented 18 of the Auditor's 23 recommendations, with the remainder either partially implemented or pending the release of the 2014 Business Plan. As we continue to improve these processes and implement the recommendations, we are pleased the State Auditor recently stated that, "the Authority has made tremendous progress."

Cost Estimates, Revenue and Ridership: Realistic Numbers Backed by Outside Experts

In 2011, Authority leadership began a focused and determined effort to improve those projections, including seeking rigorous review by independent experts. More recently, as a result of a bipartisan Congressional request, the GAO spent more than a year taking the most comprehensive look to date at the cost estimates, ridership and revenue forecasts, and economic impact analyses that were presented in the 2012 Business Plan.

In updating our forecasts and estimates, we took seriously the various reviews and criticisms that had been made of prior forecasts. We have worked diligently to address them, to make appropriate changes and apply valid guidelines and best practices. We are now confident that the forecasts presented in the 2012 Business Plan have been confirmed through multiple external reviews as being consistent with industry best practices by multiple external reviews. We are also pleased that the GAO found those numbers to be based on reasonable assumptions and sound methods. However further refinements are appropriate and we will incorporate the suggestions of the GAO, the independent Peer Review Group, and others in future forecasts.

Cost Estimates

The cost estimates included in the 2012 Business Plan are portrayed in fully-inflated, year-of-expenditure dollars to provide an accurate picture of the cost of building the system over time. The GAO found that the Authority's cost estimates met all applicable guidance from the FRA and United States Department of Transportation (USDOT) and that, "the Authority substantially met best practices in [the GAO's] *Cost Guide* for producing accurate cost estimates."[4] This finding is especially telling because the Authority was required to follow FRA guidance, though not the *GAO Cost Guide* itself. The report also highlights the Authority's efforts to produce cost estimates that correctly reflect the program's scope.

[4] GAO Report 13-304 (http://www.gao.gov/assets/660/653401.pdf)

Interestingly, in a separate report, the GAO compiled sixteen other projects across eight government agencies where they reviewed the projects' cost estimating methodologies. Only two of these sixteen scored better than the Authority's cost estimates and both of those were from agencies that routinely work with the *GAO Cost Guide* (Department of Defense and Department of Homeland Security).[5]

Ridership Projections

The ability to attract riders will ultimately drive the high-speed rail system's financial performance and its environmental benefits. We have made significant efforts to refine, improve, and update our ridership and revenue forecasts. Since 2010, we have subjected our work to rigorous scrutiny by a Ridership Technical Advisory Panel (Panel) comprised of international experts in travel demand forecasting. The Panel has spent the last two years looking at the model inputs, assumptions, and calculations that have gone into the forecasts and, more recently, the conclusions from the GAO report.

For the ridership forecasts used in the 2012 Business Plan, the Panel concluded that, "the model produces results that are reasonable and within expected ranges for the current environmental planning and Business Plan applications of the model."[6] With confidence from the Panel's review that the model fundamentals are sound, we are updating specific model components as new information and input data becomes available.

To further evaluate our model, we conducted a series of sensitivity tests in coordination with the Panel. This involved preparing forecasts with *our* ridership model but using service characteristics similar to those of the Acela in the Northeast Corridor. Our goal was to see if our model reflected "real life" based on a currently operating service. After reviewing the results, the Panel stated that, "The Panel endorses this report as an excellent indication that the ridership estimates reported by Cambridge Systematics in support of the 2012 Business Plan are reasonable, possibly even conservative."[7] This test helped further bolster confidence that our ridership model performs effectively.

The GAO reviewed our ridership and revenue forecasts and their findings reaffirmed the Panel's conclusions. The GAO concluded that the Authority followed all applicable best practices and, "found the Authority's ridership and revenue forecasts to be reasonable." As noted, we will continue to refine and improve our forecasts.

Operations and Maintenance Cost Projections

For the 2012 Business Plan, we used a relatively high-level Operations and Maintenance (O&M) cost model which was mostly based on international experiences with high-speed rail. We used this model to estimate O&M costs and to test the system's ability to operate without a subsidy under various phasing and implementation scenarios. Subsequent to that, as part of our ongoing effort to continue improving our forecasts and estimates, we asked the International Union of Railways (UIC/IUR), to review our O&M cost model. The UIC is a worldwide rail industry organization with more than 200 members across all five continents. Its purpose is to facilitate the sharing of best practices and set industry standards. Concurrent with the UIC review, we began developing a "bottom-up" cost model for use in our 2014 Business Plan.

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[5] GAO Report 12-629 (http://www.gao.gov/assets/660/592273.pdf)

[6] Ridership Technical Advisory Panel 2nd Report (http://www.hsr.ca.gov/docs/about/ridership/ridership_revenue_peer_rpt2.pdf)

[7] Frank Koppelman letter to Mike Rossi, January 27, 2012

The UIC established a team of industry experts in the fields of high-speed rail operations and maintenance from several European high-speed rail operators. After a thorough examination, this team stated that they had "reviewed and concurred with most of the assumptions used in forecasting the O&M costs."[8] They found the 2012 Business Plan forecasts to be comparable to the UIC experts' established costs for rolling stock and infrastructure maintenance. Finally, they provided a list of nineteen recommendations to continue improving our O&M cost estimating methods and assumptions. Again, we have committed to incorporate these recommendations and those of the GAO and independent Peer Review Group in our 2014 Business Plan.

Economic Impacts and Benefit-Cost Analysis

For the 2012 Business Plan, the Authority conducted the first comprehensive economic impact and benefit-cost analysis of the system. Among other things, these analyses compared the benefits to the state and national economies relative to the costs of building, maintaining, and operating the system and estimated the potential to create short-term construction and long-term jobs.

In reviewing our economic impact analysis and the benefit-cost analysis, the GAO found that, "the Authority did a comprehensive job in identifying the potential economic impacts of the high-speed rail project." The GAO, like the UIC, offered constructive recommendations on ways that we might improve our analyses, and we are working to address those as we prepare to update these analyses for the 2014 Business Plan.

FULFILLING NEW AUTHORITY COMMITMENTS

The Authority's Board of Directors also identified other areas where we owed the citizens of California new and firm commitments to do a better job. First among those was to improve our relationships with the communities that will be affected by the construction or operation of the high-speed rail system. A major focus of Board members and our leadership team in the past 18 months has been to connect with the people of California and commit wholeheartedly to partnering with communities to help build this project.

Working with the Central Valley Community

To fulfill our renewed commitment to the people of the Central Valley, we began a robust outreach and stakeholder engagement approach to give the public an avenue to be directly included and involved in the process of planning and implementing the project. I personally have spent a great deal of time in the Valley, meeting with affected growers, businesses and residents. We are fortunate that one of our most active Board members, Vice-Chair Tom Richards, a highly respected businessman from Fresno, has devoted enormous efforts to make certain that high-speed rail can bring benefits and not just challenges to this region.

Since then, with the addition of our Regional Director and growing staff, the Authority has held more than 600 meetings in the Central Valley with elected officials, business and property owners, and the community at large. We have found that these outreach efforts have not only served as a tool to provide vital information to those potentially or actually affected by the high-speed rail alignments, but also as invaluable opportunities to improve our plans as a result of community input.

For example, in the County of Kings alone, we have had over 65 meetings with affected property owners, local governments, and business groups. I have personally made more appearances before the Kings County Board of Supervisors than any other elected body in the State of California, aside from the State Legislature. I have spent this time in Kings County in good faith, to learn more about the unique issues facing the County and to explore

[8] UIC Peer Review of Operating and Maintenance Costs of the California High-Speed Rail Project

all possible options for resolving them. Most recently, our Central California Regional team had direct contact with each and every property owner along the proposed alignments.

These efforts have led to many positive outcomes throughout the Central Valley. Our collaborative approach has offered a sense of certainty to many of the affected communities and we continue to work towards creative solutions to pressing problems. However, we still face many issues in these communities and we remain committed to working through them in a manner that is forthright and respectful.

Improved Communications and Outreach with Business and Property Owners

We have also been working with private property owners and businesses that will be impacted by the project. We understand that private property owners will be affected by the construction of the high-speed rail system and we are committed to doing everything we can to educate, inform, and work collaboratively with them. This runs the gamut from the individual property owner to the major businesses or organizations that will experience significant impacts to their facilities or operations due to the project.

As an example of our commitment to work with the business community, the Authority has teamed up with the City of Fresno and the Fresno Economic Development Corporation to open a "One-Stop Shop" in Fresno City Hall to provide resources to businesses along the alignment. This means everything from relocation assistance to permitting assistance to business planning help. Our Fresno Regional Office is also staffed up with experts to help businesses as well.

Engaging the Central Valley Wye Options

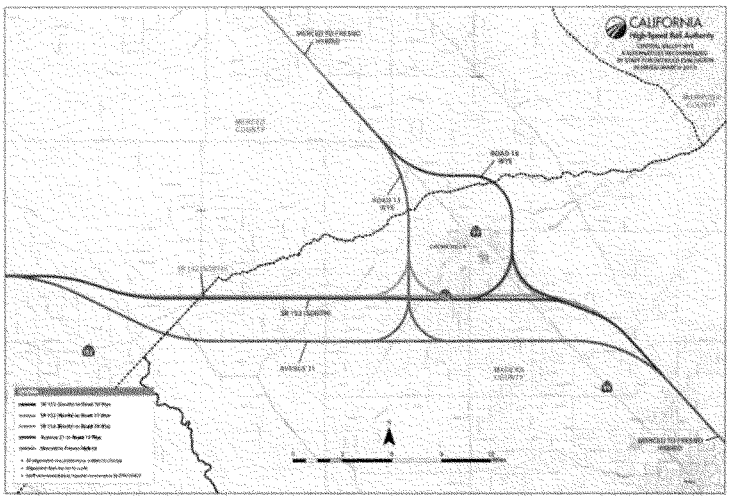
In our continued commitment to the people of the Central Valley, the Authority took a step back and realized that more needed to be done, right here in Madera when it came to decisions related to the Central Valley Wye. Just down the street from here is the junction of the Central Valley Wye where high-speed trains will head west to San Jose/San Francisco, north to Sacramento, and south to Fresno/Los Angeles. In total, the Wye will span roughly 12 square miles of land near Chowchilla and the community of Fairmead.

Since 2009, the Authority has worked with residents, stakeholders and others to identify a range of 14 Wye alternatives. In late 2012, we recognized that there might be an opportunity to extend early construction further north if the competitive bidding environment led to lower than estimated construction bids.

In attempting to narrow the range of alternatives for the Wye, and thus reduce uncertainty for property owners, the Authority engaged a number of stakeholders and members of the public. This included consulting with resource and regulatory agencies and members of the public and other stakeholders including: city and county elected officials from throughout the affected region; school districts; farm bureaus; irrigation districts; and other community-based organizations.

This outreach and consultation allowed the Authority to narrow the range of alternatives from 14 to six in January 2013. In order to further narrow these alternatives and provide landowners with more information and clarity, the Authority embarked on another effort to seek public and stakeholder input. This included 15 stakeholder meetings and two community meetings open to the public. One meeting took place in Fairmead, and the other in Chowchilla, with a total of about 500 people attending.

Ultimately, after this broad and comprehensive public outreach, the Authority narrowed the range of alternatives from six to four as seen below. These alternatives are the: (1) SR 152 (South) to Road 18; (2) SR 152 (North) to Road 13; (3) SR 152 (North) to Road 18; and, (4) Avenue 21 to Road 13.



We expect to identify a preferred alternative from these four options this fall after continued public outreach, stakeholder engagement, and work with regulatory agencies. In fact, next week we will be meeting with a handful of residents in Fairmead to review alignment options and listen to their concerns as we move the process forward.

Working with the Agricultural Community

The new leadership at the Authority has taken many positive steps to improve the relationship and ensure that the high-speed rail system is built in a way that is attentive to the needs of the agricultural community. Some significant developments on that front include:

The Agricultural Working Group

The Agricultural Working Group was established as an independent group to assist the Authority with developing the high-speed rail program. The group's goals include: refining the list of issues and concerns within the agricultural industry; utilizing the agricultural expertise of the resource specialists to enbance the EIR/EIS process and answer potential agricultural impacts; and, engaging resource specialists to assist development of mitigation measures and guidelines to minimize agricultural impacts during construction, implementation and operation of the high-speed rail project

Members of the Agricultural Working Group are specialists representing the academic, government, and agri-business sectors. They are contributing to improved information sharing, are working to address key issues raised by the Central Valley agricultural community and are helping improve decision-making by the Authority

on issues related to the agricultural industry. To date, the Agricultural Working Group has produced six "white papers" studying a broad range of impacts from pollination to irrigation.

Interagency Agreement with the California Department of Conservation

On May 3, 2012, the Board of Directors certified the Merced to Fresno EIR/EIS, which included a mitigation commitment to enter into an agreement with the California Department of Conservation (DOC) to implement the preservation of farmland. This preservation is to occur by identifying suitable agricultural land for mitigation of project impacts and by funding the purchase of agricultural easements from willing sellers.

The performance standards for this measure are to preserve Important Farmland in an amount commensurate with the quantity and quality of the converted farmlands, within the same agricultural regions as the impacts occur, at a replacement ratio of not less than 1:1. That is, for every acre impacted at least one acre will be preserved in perpetuity. This is an important commitment given all of the farmland that is already being lost to development; according to the DOC between 2000 and 2008, over 115,000 acres of Important Farmland were lost to development in the San Joaquin Valley.

Purchase of the easements, along with DOC staff support, is estimated to cost $20 million, of which $18 million is for easement acquisition. Of the $18 million, approximately $2.5 million will be spent to purchase easements on 310 acres for our first construction segment from Madera to Fresno, with the remaining funds to be used on the Fresno to Bakersfield project section pending final environmental approvals. Easements on roughly 2,190 acres are planned for that section.

Settling Central Valley Litigation

Just last month, the Authority announced a major step forward in reaching a settlement with a number of Central Valley local governments and concerned citizens, including the Madera and Merced County Farm Bureaus and Preserve Our Heritage. In fact, two of today's panel members were part of this historic agreement. The settlement agreement also brought to an end the final California Environmental Quality Act (CEQA) lawsuit challenging the Merced to Fresno project section environmental documents. We also reached settlements with two other groups form the Valley challenging the project. Most importantly, the agreement provides for the preservation of important farmland and mitigation of effects of high-speed rail construction on agricultural operations through an Agricultural Mitigation Fund funded at over $4 million.

The settlement agreement is a mutually beneficial agreement that integrates local expertise into the agricultural mitigation for the project section and provides protections for the agricultural community in Madera and Merced County and the Central Valley. Now, this agreement and the agricultural mitigation is on top of the Authority's ongoing mitigation efforts through the California Department of Conservation detailed above. The agreement also provides consultation on the Central Valley Wye to ensure that all concerns are addressed.

As mentioned above, the Authority settled two other lawsuits with the City of Chowchilla and a group of Central Valley businesses related to challenges to the environmental review process. In all three settlements, the Authority worked with elected officials, stakeholders and members of the community to address their concerns. These settlements represent just a portion of the commitment that the Authority has made in the region and the work we have done.

Getting to Work: Awarding Construction Package 1

As we move to break ground this summer on the high-speed rail system, our first construction segment, or Construction Package 1 (CP1), is a 29 mile stretch from Madera County Avenue 17 -- just up the road here -- to the City of Fresno. In November 2011, the Authority issued a Request for Qualification (RFQ) for potential design-build teams interested in CP1. (Design-build combines project design and construction in a single contract.) Based on those submissions, five teams were reviewed and determined to be fully capable of meeting all legal and technical requirements to perform the work on the project. The Request for Proposals (RFP) was subsequently released in March 2012, inviting the five teams to prepare and submit formal proposals for CP1.

As is typical in design-build procurements, the Authority and the five potential bidders went through an iterative proeess, in which the bidders raised questions and concerns about particular provisions of the RFP, and the RFP was then modified through addenda to address their concerns. For the RFP for CP 1, the Authority issued nine addenda over an eight-month period. The changes included in these addenda ranged from highly detailed technical clarifications to broader issues relating to liability and the manner in which the Authority would evaluate and score the proposals. Each addendum was reviewed by the Authority's legal counsel and the Office of the Attorney General, approved by the FRA, and published on the Authority's website available for public review and inspection.

After opening the bids, the Authority identified Tutor Perini/Zachry/Parsons, a joint venture as the "apparent best value" for the design-build contract. The Authority had estimated the cost for the design-build contract to be between $1.2 billion and $1.8 billion while the Tutor Perini/Zachry/Parsons bid came in at $985,142,530.

On May 17, as consistent with the procurement process, the Authority issued the notice of contract award recommendation to Tutor Perini/Zachry/Parsons.

Putting Americans Back to Work: Expanding Opportunities

As previously mentioned in my discussion of the benefits of high-speed rail and the many reasons for investing in it, the job creation and economic development associated with constructing and operating the system will be significant. However, in order to fully realize these benefits, we at the Authority must ensure that we enhance the public's ability to participate in the project. As described below, we have responded to this challenge by implementing an aggressive small business program, supporting job training and workforce development efforts, including efforts to hire locally within the boundaries of federal law.

Small, Disadvantaged, and Disabled Veteran Owned Businesses

The Authority is committed to small businesses playing a major role in building the statewide high-speed rail program. In November 2011, the Board of Directors took a bold step in approving a small business program that has an aggressive 30 percent goal for small business participation, including: Disadvantaged Business Enterprises (DBE), Disabled Veteran Business Enterprises (DVBE) and Micro-Businesses (MB). The program's 30 percent small business participation goal for contracts let by the Authority includes a 10 percent DBE participation goal and 3 percent DVBE participation goal. This action highlights our commitment to invest in small businesses in California and across the nation.

The Authority set forth several objectives to meet that 30 percent goal. One of our top objectives is to ensure that the Authority created a small business program that is flexible, attainable, efficient and credible. We have also established a Small Business Advocate, who is conducting a robust and inclusive outreach program to increase small business participation, a key to our success in achieving small business goals.

Just last month, we began a series of free statewide workshops to help certify small businesses that want to participate. We will also be providing small businesses with hands-on technical assistance that includes on-the-spot certification that can be completed online. Participants will also receive pertinent information on upcoming procurement opportunities around the state that would be of interest to them.

We are partnering with federal, state and local agencies to expand outreach and marketing in support of small business utilization on the project. Recent partnerships have been established with the U.S. Small Business Administration and the U.S. Minority Business Development Agency (U.S. MBDA). Earlier this month, the Authority participated in the grand opening of the U.S. MBDA Business Center in Fresno. The Center will provide minority-owned firms with professional management and technical assistance, information for regional contracting opportunities and help for small businesses to get certified and ready for work.

Like you, Mr. Chairman, the Authority is committed to the ensuring the ability of Disabled Veteran Business Enterprises (DVBE) to participate in the project. In fact, we are fortunate to have Syngon "Sy" Hare, the owner of a California certified DVBE, working on the project right now. Mr. Hare conducts and produces market analysis reports for the Authority and, before moving into the financial world, served in the U.S Air Force.

The Authority is continually seeking new and innovative approaches to improve its policies and procedures to eliminate any barriers and increase small business utilization. As a result, the Board of Directors approved the formation of a Business Advisory Council (Council) in April 2012. The Council consists of representatives from statewide construction and professional services business trade associations and serves as a forum to provide essential input and advice to the Authority in implementing practices that effect and/or impact the small business community.

We will need small business participation for years to come to make this project a success and look forward to working with this Committee and others to ensure those businesses have ample opportunity to participate.

Job Training and Workforce Development

In April, the Fresno Regional Workforce Investment Board (WIB) received a $1.5 million grant to train people for jobs building the high-speed rail system. The grant, funded by the Workforce Investment Act, will underwrite skills training for hundreds of people. Once would-be workers are screened, trained and certified as qualified workers for various construction jobs and other positions, they will be referred by Fresno WIB to contractors looking for employees.

The Fresno WIB set up a website, www.hsrjobs.com, where people can register to learn if they qualify for grant-funded training or are eligible for targeted hiring as "disadvantaged" workers, including veterans or the long-term unemployed. The Fresno WIB received over 1,000 registrants within the first few weeks of the announcement and due to an overwhelming interest had to temporarily suspend registration.

Additionally, we are particularly excited to see a number of the Valley's educational institutions, including the University of California Merced and the California State University in Bakersfield, embark on educational programs to prepare engineering students and others to enter careers in the high-speed rail support industry that is anticipated to emerge here.

LOOKING FORWARD IN THE DEVELOPMENT OF CALIFORNIA'S HIGH-SPEED RAIL SYSTEM

We are proud of the progress we've made to date and are focused intently on breaking ground this summer on the first construction section of the Initial Operating Section (IOS). Completing the IOS will achieve the goal of closing the rail gap between Northern and Southern California and our goal of introducing the first fully operational high-speed rail service in the nation. Our efforts going forward are focused on building the Central Valley project and then completing the IOS as expeditiously as possible. The Central Valley is fully funded and we are now looking forward to developing solid public private partnerships to implement the IOS and the statewide system.

Future Funding Including the Role of the Private Sector

Our current plan estimates that the total cost, in fully inflated dollars, to build a high-speed rail system connecting Los Angeles with San Francisco, will be $68 billion (equating to approximately $53.4 billion in constant year 2011 dollars). To date, we have assembled approximately $13 billion in funding, through a combination of state bonds and federal appropriations. We know that this Committee and the public at large have asked about our plans for future funding to complete the system.

As this Committee knows well, any major infrastructure project of this size and complexity would be funded from a combination of federal, state, or local sources. In the case of California's high-speed rail program, we have the additional opportunity to include significant private sector investment in the funding matrix. This is because we are highly confident that the program will generate net operating cash flows. This has been the near universal experience of high-speed rail systems around the world, namely, that once built, i.e., once the capital is expended, the systems generate net positive operating cash flows. Some high-speed rail systems have generated enough revenue to go even further and pay back some of the initial capital expenditure.

Like all projects of this magnitude and at this stage in their development, we do not have a precise funding plan for the entire system; however, we plan on completing it from a combination of sources including the following:

Direct Private Sector Investment

As discussed above, we plan to operate the high-speed rail system as a public-private partnership, with an initial public sector investment. Once this initial investment is made, we would essentially sell the projected future revenue stream to the private sector, giving them the rights to operate the system. Our 2012 Business Plan projects that the Bay Area to Los Angeles Basin system would generate enough revenue to cover approximately 20 percent of its capital costs. This number would increase with higher ridership or a lower discount factor.

Ancillary Private Sector Revenues from Value Maximization

The 520-mile Los Angeles/Anaheim to San Francisco high-speed rail system will be a valuable economic resource. We are beginning an assessment of value maximization, including leasing of right-of-way for fiber optic cable pathways and energy development. Additionally, ancillary revenues will come from parking, advertising, marketing and other potential sources including real estate development. It should be noted that in Japan, approximately one-third of revenues realized by the private sector operator Japan Rail East, come from rents and leases associated with real estate development at and around high-speed rail stations. The California Legislature is considering legislation to allow for tax increment financing for development around our high-speed rail stations and we see enormous opportunities for value capture from transit-oriented development.

Once the IOS has been completed and operational, the opportunity for private investment is greatly increased and those private funds can be used to pay for further system expansion. Additionally, I will describe our conversations with potential private sector investors and how they have helped us refine our plans to optimize our ability to leverage private sector funds and expertise, while giving the taxpayers the most bang for their buck.

Timing of Private Sector Investment

The high-speed rail system will neither be entirely a public works project, nor will it be a fully privatized system. It will be a partnership between the public sector (federal, state, and local) and the private sector. This is an internationally proven investment model and is common to almost all recent high-speed rail projects in the world, where capital investment begins with the public sector and then becomes shared with the private sector. Demonstrating this relationship, systems in France, Spain, and The Netherlands have all attracted private investment once ridership was established or by using availability-based public-private partnership structures.

These examples demonstrate that the critical question is not *whether* the private sector will invest in high-speed rail but *when* is the optimal time for the private sector to invest in the program. In the absence of completion and revenue guarantees, the private sector will want to see a proven revenue stream from a completed project phase prior to their willingness to invest.

If we seek private investment too soon, we will be shifting too much risk to the private sector, which would reduce the amount of investment the private sector would be able to provide and thus require more public funds. Instead, we intend to follow the example of countless systems from around the world that have used an initial investment of public funds to demonstrate the system's financial potential and then leveraged that performance to bring in the private sector. To us, this is a clear choice; it is based on lessons learned from international systems, and we are confident that this approach will maximize private sector investment over the course of the system's development. Having said that, let me be clear: our door is certainly open to any alternative private sector investment approaches that they wish to suggest.

In its review of the Authority's plans, the GAO confirmed that this is the right order for public and private investment. The GAO stated that, "our past work on high-speed rail systems has shown that private sector investment is easier to attract only after the public sector has made a substantial capital investment in the system. The Authority's plan is consistent with this funding approach."[9]

Discussions with Private Investors

To understand the private sector's specific interest in this program, the Authority has had extensive input from and discussions with potential private sector participants. In 2011, the Authority issued a Request for Expressions of Interest (RFEI) and received more than 1,100 responses. The responses identified the capability and interest of private entities related to development, financing, operations, project scale, risk appetite, and other factors.

Following up on the results of the RFEI, in January 2012, the Authority met with eight infrastructure investment firms, which confirmed their interest in investing in the program. We also had extensive discussions regarding the appropriate timing for private sector investment.

[9] GAO Report 13-304 (http://www.gao.gov/assets/660/653401.pdf)

I would like to note that elements of cost, schedule, and delivery risk are already being transferred to the private sector through the use of design-build contracts for the construction that will be starting soon here in the Central Valley. As the system is further developed, the Authority will look to increase its transfer of risk to the private sector by incorporating an operating performance element. The Authority will continue to assess private capital markets, as market conditions, financing tools, and expectations change over time.

State Cap and Trade Funding

The 2012 Business Plan identified state Cap and Trade revenue as a potential backstop for the high-speed rail project should additional funding fail to materialize. Even more recently, the California Department of Finance, in consultation with the California Air Resources Board (CARB), released an investment plan for the use of Cap and Trade revenues covering the initial three years of the program. The plan specifically referenced the high-speed rail project, as part of the statewide rail modernization program and sustainable community development, as an eligible investment for these revenues.

Federal Funding: Reauthorization of PRIIA and Tax Policy

As already discussed, we have evaluated how high-speed rail systems are implemented, funded and financed around the world. We continue to draw on international experience and lessons learned to develop a business model that fits our national and state context. We are following the model where the public sector makes the initial investment which then, if done properly, attracts private investment. To that end, we will forge a public-private partnership to implement our program.

Further, as the federal government invested in the Interstate Highway System – because it was good for our economy – we believe that it is reasonable for the federal government to continue investing in intercity and high speed passenger rail systems, like California's.

As the committee looks ahead to reauthorizing the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), we have some general views on how federal assistance should be structured for projects like ours.

A review of the variety of high-speed rail projects being proposed nationwide makes it clear that there is no single model for developing, financing and operating intercity passenger rail in this country. In California, we are seeking to develop high-speed rail. So are Texas, Nevada and the NEC. In the Midwest, Northwest and Florida, lower speeds are being considered. Different project delivery methods and different financial plans come along with the choice for the type of service to be provided in a given corridor.

With this diversity in mind, we believe the federal government should make available a variety of forms of assistance to high-speed rail projects around the country. For our program here in California, a blend of federal grants and loans would likely be the most beneficial form of federal investment. But aside from making direct financial assistance available, the federal government can also help us attract private investment by using the tax code to create investment incentives. Tax credits and deductions have been used over decades to induce private equity and debt investment for projects that bring public benefits. When Congress wants to channel investment to worthy infrastructure projects, it has created and enhanced these types of incentives. If Congress is looking – as we are – to bring private investment into our project, sending the right signal to the investment community through the tax code would be one way to help make that happen.

CONCLUSION

In closing, I would like to thank you again for allowing me to provide you with an update on the exciting progress the Authority has made towards implementing the nation's first high-speed rail system. My goal has been to convey to you why we believe that high-speed rail is not only a critically-needed investment for the future of transportation in California but a common sense investment as well; that the Authority has developed a viable Business Plan with realistic and peer-reviewed analysis supporting it; and that a change in leadership at the Authority has helped us improve confidence in the program overall and enabled it to make tremendous progress over the past year and a half. I look forward to continuing to work with the Committee to ensure that the nation's first high-speed rail system is built correctly, cost-effectively and in the best interest of the nation's taxpayers and I hope to see all of you at the groundbreaking this summer.



The California High-Speed Rail Authority (Authority) is responsible for planning, designing, building and operation of the first high-speed rail system in the nation. California high-speed rail will connect the mega-regions of the state, contribute to economic development and a cleaner environment, create jobs and preserve agricultural and protected lands. By 2029, the system will run from San Francisco to the Los Angeles basin in under three hours at speeds capable of over 200 miles per hour. The system will eventually extend to Sacramento and San Diego, totaling 800 miles with up to 24 stations. In addition, the Authority is working with regional partners to implement a statewide rail modernization plan that will invest billions of dollars in local and regional rail lines to meet the state's 21st century transportation needs.

2012-13 BUDGET ACT (SENATE BILL 1029): CONNECTIVITY AND BOOKEND INVESTMENTS

California's High-Speed Rail system includes billions of dollars in infrastructure investment throughout the state. These funds will strengthen and improve existing rail networks, while also connecting them with California's future high-speed rail system. Senate Bill (SB)1029, passed by the California Legislature and signed by Governor Brown in July 2012, invests almost $2 billion from the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A) into transit, commuter, and intercity rail projects across the state. This funding leverages approximately $5 billion in additional funding for these projects.

The following is a summary of rail infrastructure investments made throughout the state as a result of high-speed rail program:

CALTRAIN - ELECTRIFICIATION

SB 1029 provides $705 million to install an electric rail system that will enable the replacement of diesel trains and connect the system with high-speed rail, resulting in cleaner, faster travel. The state investment of these dollars will leverage funding to bring the total investment to $1.5 billion. (Bookend/Connectivity)

AMTRAK Caltrain Metro CAPITOL CORRIDOR

BART – MILLBRAE STATION TRACK IMPROVEMENTS & CAR PURCHASE

SB 1029 provides $145 million to lengthen track at the Millbrae Station (cross platform connection to high-speed rail), and for the purchase of new BART cars. The state investment will be matched by other funding for a total investment of $290 million. BART is also contributing $38 million of its share for the design, installation, testing, training and warranty for an intelligent network of signals, sensors, train tracking technology, and computer systems on the Caltrain Corridor as part of Caltrain's advanced signaling system. (Connectivity)

SF MUNI – CENTRAL SUBWAY

SB 1029 provides $61 million to construct a 1.7-mile extension of light rail line from 4th & King Streets to Chinatown (downtown San Francisco). The state investment in SB 1029 helps leverage a total investment of $1.6 billion into this project, with other matching funds. (Connectivity)

CALTRANS – CAPITOL CORRIDOR (AMTRAK), OAKLAND TO SAN JOSE

SB 1029 provides $47 million to help construct a series of track improvements to permit an increase in service frequency between Oakland and San Jose from the current 7 weekday round trips to 11 weekday round trips. The state investment in SB 1029 brings the total investment to $248 million, with other matching funds. (Connectivity)

CALTRAIN - ADVANCED SIGNALING SYSTEM (POSITIVE TRAIN CONTROL)

SB 1029 provides $42 million ($106 million total including Bay Area Rapid Transit (BART) and Santa Clara Valley Transportation Authority (SCVTA) contributions) for the design, installation, testing, training and warranty for an intelligent network of signals, sensors, train tracking technology, and computer systems on the Caltrain Corridor as part of Caltrain's advanced signaling system. This system is required by federal regulation and allows trains to travel at higher speeds when safe to do so. The state investment helps bring the total dollars for this project to $231 million, with other matching funds. (Connectivity)

CALTRANS – SAN JOAQUIN CORRIDOR (AMTRAK), MERCED TO LE GRAND

SB 1029 provides $41 million to Amtrak's San Joaquin for construction of 8.4 miles of double track between Le Grande and west Planada to increase service and reduce freight conflicts. (Connectivity)

SACRAMENTO REGIONAL TRANSIT (RT) – SACRAMENTO INTERMODAL FACILITY IMPROVEMENTS

SB 1029 provides $30 million for the relocation of existing light rail track, passenger platform and associated systems to connect to a new Sacramento Intermodal Facility and future high-speed rail terminal. The state investment in SB 1029 brings the total investment to $60 million, with other matching funds. (Connectivity)

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (SCVTA) – CALTRAIN ADVANCED SIGNALING SYSTEM (POSITIVE TRAIN CONTROL)

SCVTA is contributing $26 million for the design, installation, testing, training and warranty for an intelligent network of signals, sensors, train tracking technology, and computer systems on the Caltrain Corridor as part of Caltrain's advanced signaling system required. (Connectivity)

BART METROLINK muni Caltrans

CALTRANS – CAPITOL CORRIDOR (AMTRAK), SACRAMENTO TO ROSEVILLE

SB 1029 provides $16 million to Amtrak's Capitol Corridor station in Roseville for a series of improvements designed to increase service frequency, reduce freight train conflicts and accommodate freight train growth projects, consists of relocation of the Roseville station and addition of a third track. This investment brings the total to $28 million, with other matching funds. (Connectivity)

ALTAMONT COMMUTER EXPRESS (ACE) – STOCKTON PASSENGER TRACK EXTENSION (GAP CLOSURE)

SB 1029 provides the Altamont Commuter Express (ACE) train with nearly $11 million in high-speed rail connectivity funds to extend an existing ACE platform so Amtrak passengers have direct access to it. The project will also provide additional track work for a new ACE maintenance facility. This investment brings the total to $25 million, with other matching funds. (Connectivity)

SOUTHERN CALIFORNIA MEMORANDUM OF UNDERSTANDING

SB 1029 provides $500 million for regional rail projects that improve local networks and facilitate high-speed rail travel to Southern California. Projects will be selected by local transit agencies, in conjunction with the High-Speed Rail Authority, and state funding will be matched by additional investments to make the total investment in these projects $1 billion. (Bookend)

LOS ANGELES METROPOLITAN TRANSPORTATION AUTHORITY (METRO) – REGIONAL RAIL CONNECTOR

SB 1029 provides $115 million to help construct a 2-mile light rail connection among Metro Gold, Metro Blue and Metro Exposition light rail transit systems through downtown Los Angeles to provide a one-seat ride from throughout the County to Union Station and the high-speed rail system. SB 1029 helps leverage $1.4 billion in funding for this project. (Connectivity)

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY (METROLINK) – NEW OR IMPROVED LOCOMOTIVES/CARS

SB 1029 provides $89 million to repower and/or purchase 20 to 30 higher horsepower locomotives, and recondition and improve passenger cars. The state investment of $89 million will help leverage a total investment of $203 million for this purpose. Metrolink also received approximately $35 million for advanced signaling system work from Proposition 1A in previous appropriations. (Connectivity)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (TROLLEY) – BLUE LINE LIGHT RAIL IMPROVEMENTS

SB 1029 provides $58 million to rehabilitate grade crossings, track, and switches and ties, add track work and signaling, and raise platforms to accommodate low floor vehicles to allow for reduced headway and improved reliability. This investment helps bring a total investment of $152 million to update and modernize San Diego's Blue Line light rail system. (Connectivity)

SAN DIEGO NORTH COUNTY TRANSIT DISTRICT (COASTER) – ADVANCED SIGNALING SYSTEM (POSITIVE TRAIN CONTROL)

SB 1029 adds $7.3 million to a previously appropriated $10.5 million of Proposition 1A funds to a Positive Train Control project for the North County Transit District in the San Diego Area. The funds are to build an advanced signaling system to track the location of trains in order to avoid collisions. The state investment will help bring the total investment in this project to $60 million. (Connectivity)

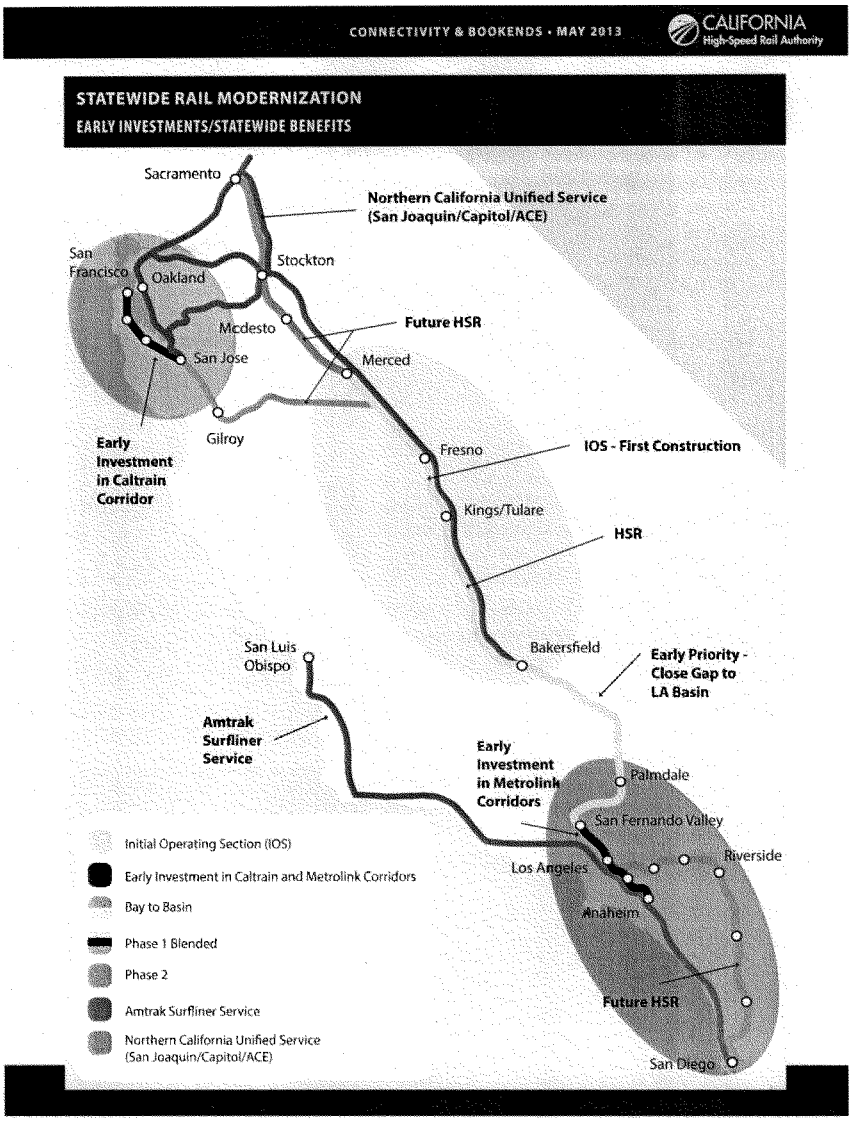
NORTH COUNTY TRANSIT DISTRICT

ACE

MTS

VTA

Regional Transit


CONNECTIVITY & BOOKENDS • MAY 2013
CALIFORNIA High-Speed Rail Authority
STATEWIDE RAIL MODERNIZATION
EARLY INVESTMENTS/STATEWIDE BENEFITS
Sacramento
Northern California Unified Service (San Joaquin/Capitol/ACE)
San Francisco
Oakland
Stockton
Modesto
Future HSR
San Jose
Merced
Gilroy
Early Investment in Caltrain Corridor
Fresno
IOS - First Construction
Kings/Tulare
HSR
San Luis Obispo
Bakersfield
Early Priority - Close Gap to LA Basin
Amtrak Surfliner Service
Early Investment in Metrolink Corridors
Palmdale
San Fernando Valley
Riverside
Los Angeles
Anaheim
Future HSR
San Diego
Initial Operating Section (IOS)
Early Investment in Caltrain and Metrolink Corridors
Bay to Basin
Phase 1 Blended
Phase 2
Amtrak Surfliner Service
Northern California Unified Service (San Joaquin/Capitol/ACE)



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, II
Ranking Member

July 9, 2013

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

Dan Richard
Chairman of the Board
California High Speed Rail Authority
770 L St, Suite 800
Sacramento, CA 95814

Dear Mr. Richard:

Thank you for your testimony before the Subcommittee on Railroads, Pipelines, and Hazardous Materials on May 28, 2013 concerning "Oversight of California High Speed Rail." I am pleased you appeared and testified on behalf of the California High Speed Rail Authority. The Subcommittee gained valuable insight from the information you provided at the hearing.

Enclosed please find additional questions for written responses for the record. The Subcommittee appreciates your written responses no later than July 26, 2013. Please provide an electronic version of your response via email to [redacted].

If you have any questions please contact [redacted] of the Subcommittee at [redacted].

Sincerely,

Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials

Enclosures

Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on "Oversight of California High Speed Rail"
May 28, 2013
Questions for the Record

Questions from Rep. Denham:

1. How many people will be displaced from their homes to build the initial construction segment?

2. How many businesses will be displaced to build the initial construction segment?

3. Please provide to the committee the precise route of the entire Initial Operating Segment, detailed down to the parcel of land.

CALIFORNIA
High-Speed Rail Authority

July 26, 2013

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The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines and Hazardous Materials
Committee on Transportation and Infrastructure
1730 Longworth House Office Building
Washington, DC 20515

Dear Chairman Denham:

Thank you for your letter dated July 9, 2013 and for the opportunity to restate this information for the record. Please find responses to the Subcommittees questions below.

1. How many people will be displaced from their homes to build the initial construction segment?
2. How many businesses will be displaced to build the initial construction segment?

As was discussed at the hearing on May 28th (see transcript p. 53-55, lines 1117-1150), the environmental review process requires a non-judgmental review of appropriate alternative routes, each of which must be analyzed to determine impacts and appropriate mitigation.

Accordingly, it is not permissible for the California High-Speed Rail Authority (Authority) to assume, at this point, that it knows the precise alignment for sections beyond the Merced to Fresno project section, for which the environmental review process has been completed. Once the Authority and the federal agencies certify the environmental documents for other sections under NEPA and any associated state-level environmental processes, the precise impacts and mitigation measures for those project sections will be known. At that point, we would be able to provide you with the information requested in your letter.

To be clear, there are two separate environmental reviews covering the 130-mile Central Valley portion of the Initial Operating Segment (IOS). As mentioned above, the northern project section of the route, from Merced to Fresno, has been certified by the Authority, and the federal Environmental Impact Statement has been certified by the Federal Railroad Administration and accepted by the Surface Transportation Board. The Authority has already provided the Subcommittee with precise information on the parcels affected by the proposed construction of the project section of the IOS covered by that environmental document. We have again attached the affected parcel list for the Merced to Fresno project section to this letter, for your records.

EDMUND G. BROWN JR.
GOVERNOR

However, the southern project section of the Central Valley portion of the IOS, from Fresno to Bakersfield, is the subject of an ongoing environmental review process, with multiple potential variations of route alignments. Therefore, in accordance with federal law, it is currently impossible to answer the Subcommittee's question as to the potential impacts on residences and businesses along the Fresno to Bakersfield project section, or to provide precise lists of affected

parcels and how they will be impacted, since those issues are still the subject of analysis, review, and potential change.

3. *Please provide the committee the precise route of the entire Initial Operating Segment, detailed down to the parcel of land.*

For the same reason, the parcel level impacts of the entire IOS, from Merced to the San Fernando Valley, cannot be ascertained at this time, since segments of that entire line will be subject to sequential environmental reviews.

As was the case with the final document describing the Merced to Fresno project section environmental clearance, once future environmental review documents have been finalized and legally adopted by the Authority and the federal oversight agencies, we can promptly provide the parcel by parcel information at the request of the Subcommittee.

Thank you for your correspondence, and for the opportunity to reinforce the Authority's clarity on this subject for the record.

Sincerely,

Dan Richard
Chair
Board of Directors

Enclosure

Attachment A

HIGH SPEED RAIL AUTHORITY (2665)
INITIAL OPERATING SEGMENT, SECTION 1
MADERA AND FRESNO COUNTIES

AVENUE 17-AVENUE 7	Parcel Number	Parcel Number
Parcel Number	035-162-036	048-200-008
037-030-006	035-162-037	048-200-006
037-030-007	035-171-001	AVENUE 7 TO SR-41
037-030-008	035-171-011	048-200-007
037-030-012	035-171-012	048-270-009
037-030-013	035-171-003	048-270-008
037-030-016	035-171-013	504-010-01
037-060-016	035-171-005	504-130-22
037-060-017	035-211-006	504-130-20
037-060-018	035-212-002	504-130-08
037-060-021	035-232-002	504-010-15
037-060-022	035-232-003	504-010-16
037-111-023	034-190-031	504-050-34
037-111-024	034-210-045	504-070-33
037-111-025	034-210-049	504-070-41
037-111-032	034-210-047	504-070-51
037-111-033	047-070-013	504-070-52
037-112-003	047-070-014	504-070-39
037-112-004	047-070-007	504-106-02
035-030-015	047-080-001	504-106-04
035-030-003	047-130-026	504-106-05
035-030-016	047-130-016	504-060-73
035-030-017	047-130-027	504-060-71
035-091-016	047-130-028	504-060-70
035-092-001	047-130-029	504-060-75
035-092-002	047-130-030	504-140-11
035-092-010	047-240-006	504-091-02
035-092-009	047-240-007	504-091-03
035-092-008	047-240-004	504-091-04
035-092-012	047-240-003	504-080-47
035-092-011	047-320-009	504-080-66
035-092-013	047-320-010	504-080-67
BNSF Parcel Between 035-	047-320-005	504-080-32
092-013 AND 035-171-011	047-320-004	504-080-39
035-102-030	047-330-005	504-080-38
035-102-031	048-070-008	504-080-37
035-102-018	048-070-009	458-133-15
035-102-040	048-080-001	458-240-30
035-102-020	048-080-003	458-010-05
035-162-003	048-080-004	458-240-31
035-162-026	048-190-011	458-240-33
035-162-032	048-190-028	458-240-32
035-162-025	048-190-029	458-240-10
035-162-024	048-190-014	458-250-10
035-162-034	048-200-002	458-010-19
035-162-035	048-200-003	458-250-07

Parcel Number	Parcel Number	Parcel Number
458-250-08	508-110-07	449-161-08
458-010-17	508-110-08	449-161-04
458-250-37	508-110-09	449-161-05
465-020-23	508-110-48	449-180-08
465-020-13	508-130-01	449-180-09
465-020-22	510-050-03	449-180-10
465-030-18	510-050-04	450-280-01
465-030-16	510-050-30	450-280-02
504-080-33	510-050-31	450-280-03
504-080-69	510-050-39	450-280-11
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509-080-13	459-111-14	
509-080-45	458-250-15	
510-050-06	458-250-25	
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442-122-24	504-010-09	
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442-122-22	467-071-01	
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449-162-01		
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449-162-03		
449-162-04		
449-162-05		
449-162-20		
450-280-08		
450-154-09		

Kole Upton Written Testimony

Opening Comment

Albert Einstein said, "Insanity is doing the same thing over and over again and expecting different results."

As one of the affected folks who has the misfortune to live and farm in the 'Wye' portion of the California High Speed Rail Project, I am now experiencing the third attempt by the California High Speed Rail Authority (CHSRA) and its consulting engineers to develop a route in the 'Wye' area.

The first attempt was the infamous A3 route which traveled through 24 miles of farm land in Merced and Madera counties, usually at an angle. After virtually unanimous opposition, the CHSR Board abandoned the route in March of 2010.

In June of 2010 at a joint Technical Committee of public agencies in Merced and Madera counties and CHSRA with its consulting engineers, the public agencies provided input that the 'Wye' route should be SOUTH of the City of Chowchilla. Remarkably, the consulting engineers for the Merced to Fresno section and CHSRA announced in July of 2010 that the 'Wye' route would be NORTH of Chowchilla. They called the route the West Chowchilla Design Option (WCDO). In addition, the WCDO was basically the northern portion of Route A3 which had been rejected by the CHSR Board.

Other folks in the 'Wye' area had similar experiences with the Authority involving Avenues 21 and 24, and Route A1 during this time frame. This led to the formation of the group, Preserve Our Heritage (POH). Over the past several years, we have had many interactions with the Authority and its representatives. One of the POH suggestions adopted by the Authority involves studying the use of Highway 152 as a possible East-West route through the 'Wye', and a North-South route east of the city of Chowchilla. To its credit, the Authority listened in this case, and these options are now two of the four (4) options for the 'Wye'.

Regrettably, however, the Authority continues the study of Ave. 21 as an East-West option as well as Road 13 as a North-South option through the 'Wye'. This is important because it represents the Authority ignoring years of written and verbal input from local public agencies and private individuals demonstrating virtually unanimous opposition to these options. These letters, resolutions, and comments are part of the public record for this project.

In December of 2011, consulting engineers for the Merced to Fresno section and the Authority announced their recommendation for a 'Preferred Route'. This route was called the 'Hybrid Route'. In the 'Wye' area, it included a slight modification of the WCDO. Instead of going down Road 13, it now purported to go down Road 12 & ¼. However, such a road does NOT exist.

Several months later, the CSHR Board adopted the recommendation. However, it excised out the 'Wye' portion of the Merced to Fresno section and delayed its implementation until a another study could be done. Further, it assigned the study to the consulting engineers from the Merced to San Jose section. Since that time, POH has again coordinated and met many times with Authority representatives in an effort to come up with route options that are compatible with the project's goals and our existing infrastructure.

After a about a year, it appears that the "Wye' route decision has come down to four options with the Authority continuing to interact with local citizens and their public and private organizations. The results of the recent open houses in the Chowchilla area are consistent with the historical input on the 'Wye'. Clearly, the the preferred option should be some permutation of the Highway 152 and Road 18 options. However, it is imperative that the Authority do the necessary 'tweaking' of the Road 18 option to minimize the effects on those affected.

If the Authority again tries to inflict Road 13 and/or Ave. 21 on this area as the Preferred 'Wye' Alternative, then it should expect the same vigorous and uncompromising reaction as occurred the last two times. If one rejects Mr. Einstein's thesis for the Authority's action, then it must be assumed that the Authority has never had any intention of listening to local input on this issue.

Authority Board, Staff, and Consultants

The key to the successful implementation of this project is the people representing the Authority and their work. One of the elements necessary for success is working with local interests who are affected by the proposed routes. To do this effectively, people representing the Authority have to deal with locals with integrity, respect, and competence. Until the last several months, Authority personnel have failed in all of these areas.

November 2009 – June 2012

My involvement in this situation started in November of 2009 when I received written notification that our farm was being considered as part of route A3. We were asked to allow various technical experts on the land to do studies. We refused in that the implementing language for the project and bond indicated that existing corridors should be used and the effects on agricultural land should be minimized. Both of these stipulations were violated with the proposed route through our property.

A group of us traveled to the next Authority board meeting in Sacramento in December of 2009. After my verbal testimony, the Chairman, Curt Pringle, suggested I roll up my sleeves and work with the Authority to devise appropriate routes. I thought that was a reasonable suggestion. In addition to attending open houses and providing written input, I volunteered to be on the Technical Committees of Merced and Madera counties. As an elected official of water districts in the two counties, I was eligible.

Previously, I have referred to the decision concerning the WCDO and the fact that it was in direct opposion to the recommendation of the Technical Committees. When I challenged one of the consultants in charge as to how the process could be said to have integrity when such a decision was made? He said the City of Chowchilla wanted it. A quick cell phone call to the Mayor of Chowchilla exposed that canard. Then, it was alleged that the Federal Railroad Administration (FRA) wanted it. A Freedom of Information Act (FOIA) request was made to the FRA. After a delay of about a year, the reply indicated the FRA had nothing to do with the selection of the WCDO.

During the time of August 2010 to December of 2011, POH interacted with the Authority on many occasions and proposed that the Authority study Highway 152 and an East of Chowchilla option for the North-South and East-West 'Wye' connections. In any event, we and others in the area were clear that the WCDO was unacceptable as a North-South option.

We were shocked and angry when in December 2011 consulting engineers and Authority staff presented their Preferred Route for the North-South option in the 'Wye'. However, instead of now going along Road 13, they now altered it to go along Road 12 & ¼ which was even more of an abomination than the Road 13 option. They did not select a preferred option for East-West. Frankly, some of us interpreted this 'Hybrid Route' selection as an 'in your face' approach to demonstrate the power of the Authority.

This would be consistent with a statement made early on by one of the consulting engineers. In a meeting with farm appraisers, he indicated that the Authority was a 'super agency'. It had both a federal and a state mandate, and it would go where it wanted. Further, that individual businesses or farmers had no say. During this time period, I would certainly not dispute his assertion.

Later in the spring of 2012, to its credit, the CHSR Board removed the 'Wye' portion from the immediate construction package for the Merced to Fresno section, and assigned it to the Merced to San Jose group for further study.

June 2012 – present

Discussions began in June 2012 between Authority staff, Merced to San Jose section consultants, and persons and organizations who would be affected by the 'Wye' route. The Merced to San Jose consultants seemed to have a more cooperative and interactive approach with local representatives.

The situation improved dramatically after Diana Gomez, the new Regional Director for the Central Valley became involved later in the year. Ms. Gomez has roots in the San Joaquin Valley and has an understanding of culture and history of the area.

She took the time to meet with my employees and recognized that the Road 13 route would cause a loss of jobs in agriculture. On my farm which is equipment intensive, most of the employees own their houses, have health benefits, and have worked on this farm for over 20 years. Many of their children have graduated or attend colleges. In fact, one of them attends CSU Stanislaus and participated in the meeting.

The process has continued to reduce the number of possible routes for consideration. On the bright side, Highway 152 and Road 18 made the cut. Unfortunately, Road 13 and Ave. 21 were also included among the four finalists for consideration as the 'Preferred route'.

Among the possible routes eliminated was the Road 11 route. It was eliminated by someone in the federal government. This has happened before, and there is apparently no way to challenge either the criteria used, or the result itself.

The bottom line here is that despite CHSRA having improved its outreach and integrity when dealing with locals, it will all be moot if CHSRA decides on Road 13 and/or Ave. 21.

Jobs

Jobs in agriculture have a geometric factor in that every job in agriculture is multiplied several times as the product moves from the farm to the consumer. For instance, I grow Corn Nuts. The product leaves my farm, is stored in Firebaugh, and then sent to the Kraft plant in Fresno for distribution around the world.

Ms. Gomez seems to get the concept that the High Speed Rail project should be compatible with our existing infrastructure. Rather than replacing good agriculturally related jobs with High Speed Rail jobs, we should try to have both.

Upton Wildlife Retreat

The Road 13 option also threatens the wildlife sanctuary on our property. This was established over 40 years ago, and the 14 acres is the home for many different species. The local raptor center returns injured raptors to the wild by first releasing them in to this habitat. The 'Hybrid Route' announced in December of 2011 bisected the habitat and would have totally destroyed it.

The latest Road 13 option would come within 600 to 800 feet of the retreat. This distance is well within the normal hunting radius of the species living in this habitat. Obviously, it will also have a devastating effect on the retreat.

Attached is my submission to the Surface Transportation Board with PICTURES of the wildlife in the retreat.

Conclusion

Most of the problems associated with this project in this area were self-inflicted by the Authority in the years 2009 until the spring of 2012. Now, it has the opportunity to make a decision that can be supported by the vast majority of the citizens affected by the 'Wye'. The selection of Highway 152 and Road 18 as the 'Preferred Route' for the 'Wye' is the obvious choice.

Findley M. Upton Family Trust

9509 Cross Road

P O Box 506

Chowchilla, CA. 93610

234060

ENTERED
Office of Proceedings
April 11, 2013
Part of Public Record

April 10, 2013

Ms. Cynthia Brown

Chief, Section of Administration

Office of Proceedings

Surface Transportation Board (STB)

395 E Street, S.W.

Washington, D C. 20423-0111

Re: California High Speed Rail Project, Your Reference Number – FD35724

Dear Ms Brown

Enclosed with this letter are pictures of some of the many magnificent creatures (primarily birds) whose home is a unique environmental retreat on our property This retreat is threatened with destruction by the California High Speed Rail Project. This retreat has been in existence for over 40 years. It was planted with every type of tree, and has not been farmed during that time. The local raptor center has utilized our retreat to release injured raptors once they are nursed back to health

Currently, the California High Speed Rail Project has a 'preferred route' bisecting this retreat Although the criteria for the Project recommends using existing transportation corridors and avoiding impacts of this nature, the consulting engineers devised a route along a so called road 12 & ½ that does NOT exist It destroys this unique habitat along with devastating many farms along this fantasy road Regrettably, the CHSRA Board adopted this 'preferred route' in April of 2012

Recently, the CHSRA has changed consulting engineers from this area, and is in the process of selecting new alternatives Unfortunately, one of these alternatives includes a route currently programmed to come within 600 to 800 feet of the retreat. Since the hunting radius and other activities of some of the species such as hawks extend well beyond 600 to 800 feet, it is obvious that a 220 MPH train will not be compatible with this retreat

Despite our continued involvement in the environmental process and the 'open house' discussions with CHSRA representatives, we do not feel our legitimate concerns have been addressed. We strongly urge you to review the California high Speed Rail Project and NOT grant an exemption from STB oversight.

Please include us in any notices concerning this situation. Thank you.

Sincerely,

Kole Upton, Trustee,

Findley M. Upton Family Trust

Enclosed: Upton Wildlife Retreat Pictures

Upton Wildlife Retreat

All pictures taken at the retreat or on the ranch's property where the retreat is located.
Chowchilla, CA

14 Acres of land set aside over 40 years ago for wildlife to thrive in a safe and unbothered environment.

This photograph was taken over 30 years ago of a nest found with 3 young Red Tail Hawks. Having 3 babies is not common for Red Tails. Red Tail Hawk's clutch size depends almost exclusively on the availability of food in the adult's habitat. Red Tails mate for life and return to the same nest each season.



Contents

Red Tail Hawk female w/baby..... 1
3 baby Red Tail Hawks

Red Tail Hawk female w/ 3 fledglings standing on nest 2
2 Immature Cooper's Hawks

Red Shoulders 3
Red Shoulder Nesting

Red Tail Hawk pair nesting..... 4
Female Great Horn Owl Nesting

Group of Hawks gathered on the ground.... 5
(Red Tail, Swainson & Ferruginous Hawks)

Swainson Hawk Nesting.. 6
Pair of Swainson babies

Barn Owls..... 7
Baby Barn Owls

Burrowing Owl.. 8
Burrowing Owl & Burrow

Pair of White Tail Kite. . . 9
Merlin Falcon

Sharp Shinned Hawks .. 10

Osprey... 11
Northern Harriers

King Fishers..... 12

Pied-billed Grebe female with baby. . . 13
Pied-billed Grebe baby

Night Heron..... 14
Double Crested Cormorant

Female Duck with babies. 15
Mergansers

Green Heron..... 16
Goldeneye

Sandhill Cranes. 17
White Faced Ibis



Female Red Tail with newly hatched baby



Few days later her clutch of 3



Female Red Tail with 3 fledglings ready to leave the nest



2 immature Coopers Hawks 2



Male and Female Red Shoulder Hawk



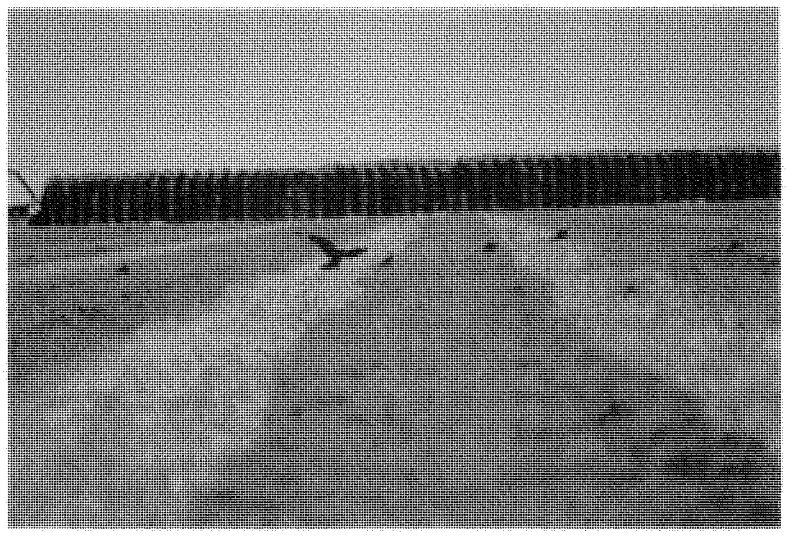
Female Red Shoulder nesting 3



Male and Female Red tail in nest



Female Great Horn Owl nesting 4



Mass mix of Red Tail, Swainson and Ferruginous Hawks in harvest alfalfa field



Mass sometimes 50-100 in numbers 5



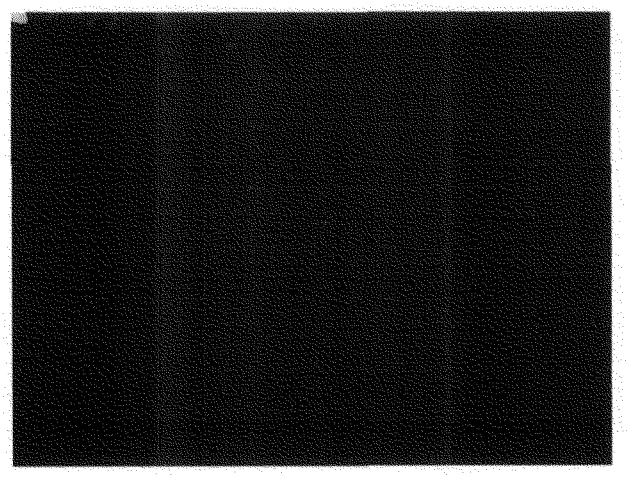
Female Swainson Hawk and her first baby to appear



2 baby Swainson Hawks 6



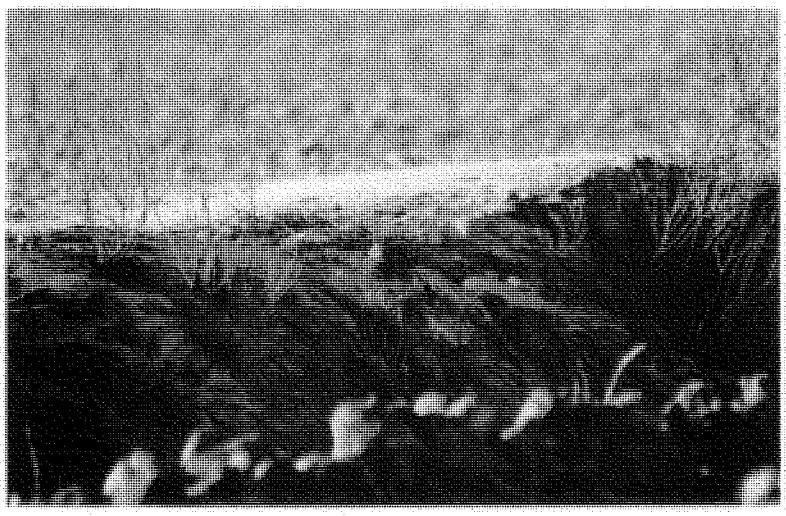
Pair of Barn Owls



4 Baby Barn Owls learning to fly 7



Burrowing Owl



Burrowing Owl guarding the burrow



Male and Female White Tailed Kites



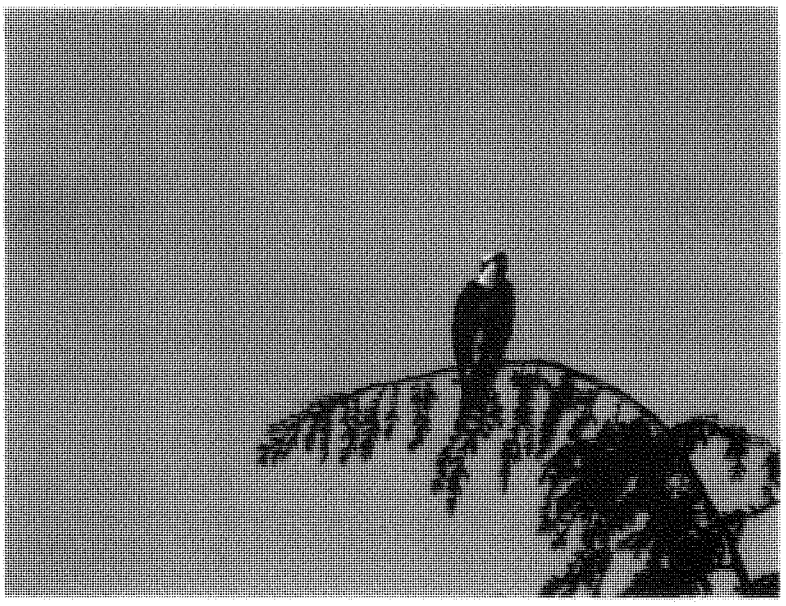
Merlin- Smallest species of falcon in the Northern Hemisphere 9



Female Sharp Shinned Hawk- One of the most secretive of all hawks in their nesting.



Male Sharp Shinned Hawk 10

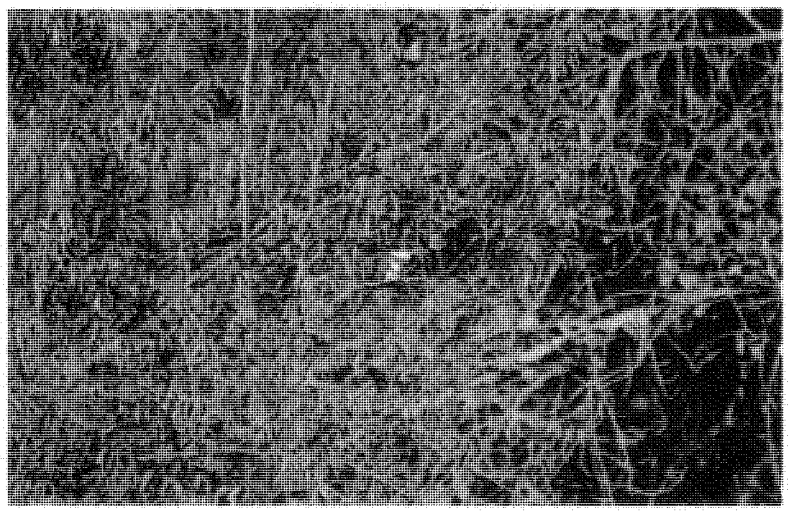


Osprey



Female Northern Harrier

Male Northern Harrier



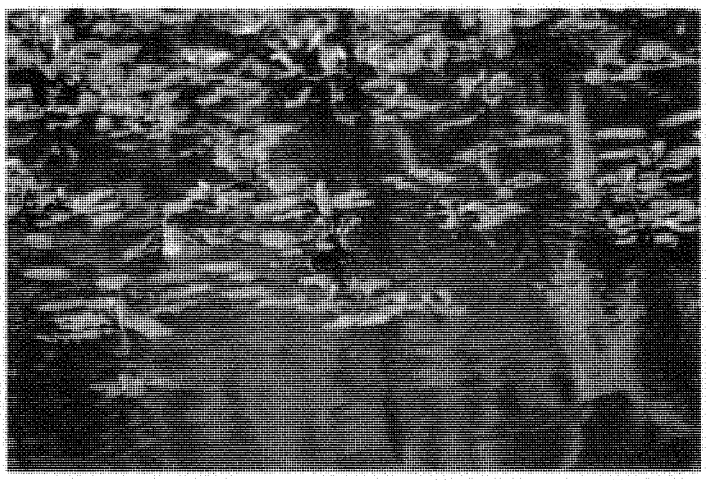
Female King Fisher



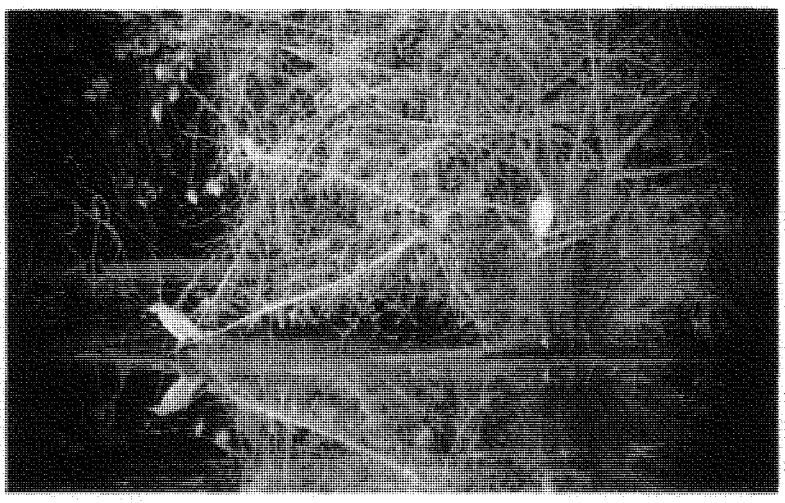
Male King Fisher 12



Female Pied-billed Grebe with baby on her back



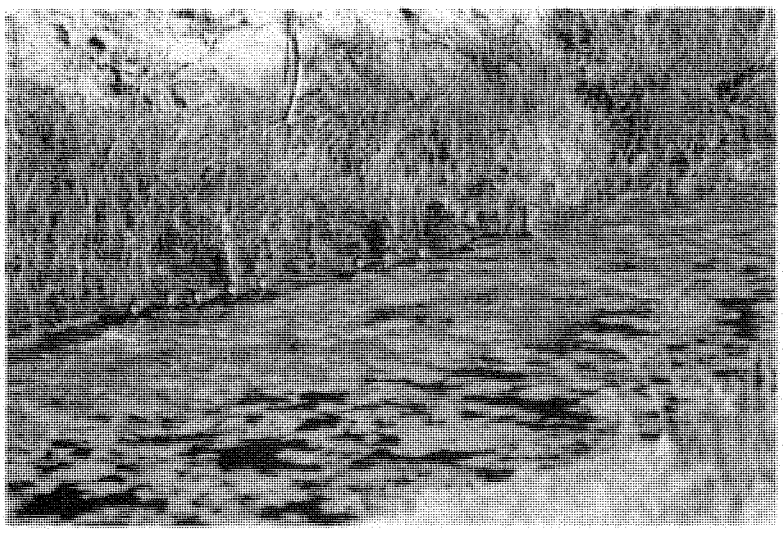
Pied-billed Grebe baby 13



Adult Night Heron and 2 immature Night Heron



Double Crested Cormorant 14



Female duck with her babies



Mergansers 15



Green Heron



Goldeneye 16



Sandhill Cranes



White Faced Ibis 17

DOUG VERBOON
Supervisor
District 3

BOARD OF SUPERVISORS
Kings County Government Center
1400 W. Lacey Boulevard
Hanford, California 93230
Phone (559) 582-3211 - Ext. 2366
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May 28, 2013

The Honorable Jeff Denham, Chairman
Committee On Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials
U.S. House of Representatives
Washington, DC 20515

Re: Testimony of Doug Verboon, Chairman, Kings County Board of Supervisors

Good morning,

My name is Doug Verboon. I serve as Chairman of the Kings County Board of Supervisors. I would like to thank Chairman Denham and the Subcommittee members for the opportunity to provide testimony regarding Oversight of California High Speed Rail.

Since we last testified in 2011, the situation has worsened. It has devolved into a project Proposition 1A voters would not recognize.

We have chronicled unaddressed concerns in volumes of correspondence.

The project ignores environmental precedent in favor of political posturing.

The County was completely excluded during the corridor refinement process.

This exclusion caused the Authority to realize "too late" that it chose one of the most well-planned, completely protected and ag-sustaining areas in California to anoint the "spine" of the project.

It has steadfastly ignored Kings County ever since, essentially stating it is too late.

Kings County can't possibly be the least environmentally damaging project alternative, when only 20 miles east Highways 99 and 198 converge with the Visalia Airport.

Visalia has tirelessly lobbied to have the Authority open its eyes and receive this perfect gift.

The 2012 Business Plan *may* shave dollars, at least on paper, but also robs the bond money, bestows it on conventional commuter rail, and blends the project into one that Prop. 1A voters would not recognize.

68 billion dollars would allegedly build phase one, plus 32 billion to electrify that 100 miles; and billions more to complete phase two.

Phase one will shift Amtrak and bypass cities whose people and economies have become dependent on them, including Hanford and Corcoran in Kings County.

The result is a project that:

Will not be electrified.

Will be standard diesel.

Will be subsidized.

Will compete with conventional passenger and freight service.

Will travel at 79 mph – not the 200 plus indicated in Prop. 1A.

Will not provide a non-stop L.A. to San Francisco Prop. 1A required trip.

Will not be "green", but it will seek cap-and-trade money claiming it is.

Will rely on speculative funding sources.

Will not have additional Federal money.

Will not entice venture capital.

Will not have independent utility.

Will clog the cash-strapped courts with condemnation cases.

Will be politically expedient for some, but at the cost of the environment, environmental justice and Prop. 1A.

The project has no construction permit, but claims it will start construction in July… of 2013.

It does not have ARRA –required agreements with BNSF or Union Pacific.

It does not have the necessary environmental permits to complete even the 29 mile initial construction segment, let alone drift into the Fresno to Bakersfield segment that has yet to be certified.

Even so, the Authority certified to the Legislature that it will, *in the future*, comply with required environmental thresholds, even though Prop. 1A requires all environmental certifications be obtained, for Merced to Palmdale, before bond approval.

Senator Rosenthal recently asked Chairman Richard if, "for all this money, ... we [are] going to get genuine high speed rail?". He said "no, but you are going to get a lot." Hmmmmm.

If they cannot comply with Prop. 1A, they must stop. The federal funding agreement requires compliance with state law.

On January 3, 2012, the Prop. 1A-commissioned Peer Group reported to the State Legislature "We cannot overemphasize the fact that moving ahead on the (high-speed rail) without credible sources of adequate funding, without a definitive business model, without a strategy to maximize the independent utility and value to the state, and without the appropriate management resources, represents an immense financial risk on the part of the State of California."

High speed rail in California, as defined in Prop. 1A, is a worthy objective and one that my County initially supported, so long as it followed existing transportation corridors.

It has devolved to a project voters would not recognize and, given the truth, the Governor would probably decline to endorse.

This should concern the Authority's federal partner, the Federal Railroad Administration.

This project needs more oversight, more accountability, more common sense, and less antics.

In reflecting on it's implementation, I am reminded of the children's story of the *Three Little Pigs* and the consequences of building a house of straw.

There is so much more to say, but I will close with an invitation to meet and discuss any questions you may have and offer to provide you with all the information we have gathered to date.

Sincerely,

Doug Verboon

Doug Verboon, Chairman

Kings County Board of Supervisors

H:/High Speed Rail/Congressional Testimony/Verboon Testimony to Subcommittee 5-28-13 at 1:25 am

Testimony of Anja Raudabaugh, Executive Director, Madera County Farm Bureau

U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Railroads, Pipelines, and Hazardous Materials

"Oversight of the California High Speed Rail"

May 28, 2013

The Madera County Farm Bureau appreciates the opportunity to provide testimony on behalf of its 1,200 members in Madera County. The Farm Bureau is a 501 c (3), non-profit entity, that works to provide agricultural advocacy for Madera County farmers, growers, ranchers, and property owners. Madera County ranks 10th in the State for gross agricultural production value and 4th in the world for the production of specialty crop commodities. Agriculture and ag-related businesses account for over 76% of Madera County's employed, and also represents nearly 67% of Madera County's GDP. The Farm Bureau represents approximately 95% of all agricultural interests in Madera County.

The California High Speed Train Project (Project) has a lengthy history in Madera County, dating back to 2009, when the first round of design options was presented to the public. These design options included a variety of alignments that deviated significantly from major transportation routes crossing agricultural lands and prime farm lands, ultimately causing what now appears to be an insurmountable level of mistrust, suspicion, and anger towards the project by the agrarian community. The final alignment selection through Madera County in May of 2012 yielded an unprecedented level of agricultural property acquisition, and irreparable damages to agricultural operations in Madera County. The final alignment from Merced to Fresno, which leaves State Route 99 by as much as five miles to the east in Madera County, bifurcates, dissects, and severs approximately 500 different ag operations. 413 of those affected are in Madera County. The result –although yet to be defined –is certain to be a loss of businesses, revenue, jobs, and ultimately –agriculturally developed land.

The Project's final alignment in Madera County, referred to as the Hybrid Alignment, is a path between the Union Pacific Rail Road (UPRR) and the Burlington Northern Santa Fe (BNSF) Rail Road. The California High Speed Rail Authority (Authority) made the decision in late 2011 to remove from analysis the area surrounding Chowchilla (from approximately the Chowchilla River to Avenue 17), therefore NEPA and CEQA analyses were only performed from Avenue 17 south to the San Joaquin River. The Authority estimated at the time of the EIR/EIS, that approximately 1,256 agricultural acres would be removed from production in Madera County (another 250 acres in Merced County) as a result of the project. These figures did not account for land that would be lost due to severed ag parcels or lost agri-business resulting from economic unviability as a result of the alignment bisecting properties. These figures were also based on a 15% project design standard –as stated in the Draft EIR/EIS[1], and did not account for project adjustments required for a higher level design completion package. The Farm Bureau has long

[1] CHSRA's Draft Environmental Impact Report/Statement 2011 pp.157

contended that the estimate of affected land by the Authority is inaccurate and the reflective mitigation provided is not adequate.

The Madera County Farm Bureau, the Merced County Farm Bureau, Preserve Our Heritage, the Chowchilla Water District, and the Fagundes Brothers Dairy entities filed a lawsuit against the Authority, claiming statutory violations under CEQA and the Bagley-Keene Open Meetings Act[2]. A day before the litigation was scheduled to be heard in Sacramento Superior Court, the Petitioner parties agreed to a settlement with the Authority[3].

The Settlement agreement is comprehensive and includes major facets associated with the right-of-way and land acquisition processes. It also includes additional direct mitigation acreage related to indirect effects of the project, in the form of an agricultural buffer running the length of the tracks, 25 feet wide on either side throughout the Valley. The settlement also provided for a comprehensive agricultural land preservation program, or Ag Land Mitigation Fund, which is designed to set aside acreage to offset impacts to agricultural properties from the Project.

Moving forward into the future, the question of how smoothly the land acquisition process will proceed remains unanswered. The Authority must begin by honoring its commitments in the Settlement Agreement and ensuring that land owners are given the best possible options of first maintaining their agricultural operations viability and then –and only then –receiving just compensation for the impacts the Project will cause. Approximately 80% of the affected landowners along the Initial Construction Segment (Construction Package 1, Phase 1a) are Farm Bureau members[4]. To date, none of these landowners have expressed a willing desire to sell. The situation is most likely going to be one in which a majority of these property owners are going to be unwilling sellers. Given the average price of farm ground in Madera County is $25,800 per acre[5], the Farm Bureau is concerned that the allocation of costs associated with Authority's 2012 Business Plan[6] are substantially lower than what will be required. The Farm Bureau would like to ensure that there is an adequate funding source to purchase these properties well *BEFORE* any appraisal is finalized and any offers are made. Our members are already suffering from an inability to obtain agricultural operating loans[7] simply by being in the path of the Project's alignment[8].

Unfortunately, no amount of money or offsite mitigation can replace a farmstead that has been in a family for generations. The Farm Bureau is alarmed that this project may cause more irreparable harm before it can be completed.

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[2] Petitioners Opening Brief 2013 and Reply Brief 2013
[3] Petitioners Settlement Agreement 2013
[4] Fresno to Bakersfield DEIR/EIS Comment Letter by Merced and Madera Farm Bureaus, 2013
[5] *Trends in Agricultural Land and Lease Values*, California & Nevada, American Society of Farm Managers and Rural Appraisers, 2013, pp. 46
[6] CHSRA 2012 Business Plan pp.3-5
[7] Hanna Declaration Letter, October 2012
[8] Petitioner's Preliminary Injunction Brief 2012

Footnote 2: Petitioners Opening Brief 2013

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EXEMPT FROM FILING FEES
(GOVERNMENT CODE 6103)

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO - GORDON D. SCHABER COURTHOUSE

COUNTY OF MADERA, et al.,

Petitioners and Plaintiffs,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

CITY OF CHOWCHILLA, a California municipal corporation,

Petitioner and Plaintiff,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

TIMELESS INVESTMENT, INC., et al.

Petitioners and Plaintiffs,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

Lead Case No.: 34-2012-80001165-CU-WM-GDS

Cases Consolidated for Case Management, Briefing and Trial Purposes Only With:

Case Nos.: 34-2012-80001166-CU-WM-GDS
34-2012-80001168-CU-WM-GDS

REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF PETITIONERS' OPENING BRIEF

Hearing on the Merits:
Date: April 19, 2013
Time: 9:00 a.m.

ASSIGNED FOR ALL PURPOSES TO:
THE HONORABLE TIMOTHY FRAWLEY
DEPARTMENT 29

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that Petitioners the County of Madera; Madera County Farm Bureau; Merced County Farm Bureau; Preserve Our Heritage; Chowchilla Water District; and Fagundes Parties ("Petitioners") hereby request that this Court take judicial notice of the following documents attached as Exhibits 1 through 3 to the Declaration of Jason W. Holder in Support of Petitioners' Opening Brief ("Holder Declaration"), filed concurrently with this request:

Exhibit 1: Final Judgment Granting in Part and Denying in Part Petitioners' Verified Petition for Writ of Mandate and Complaint for Injunctive and Declaratory Relief ("Final Judgment") and Exhibits A and B attached thereto, issued in the case: *City of Palo Alto, et al. v. California High-Speed Rail Authority* (Sacramento County Superior Court, Case No.: 34-2010-60000679; Dept. 31, Judge Kenny), dated February 1, 2012) ("*Atherton II*");

Exhibit 2: Respondent California High-Speed Rail Authority's Memorandum of Points and Authority's in Opposition to Petition for Writ of Mandate ("Respondent's Opposition Brief") filed in the case *Town of Atherton, et al. v. California High-Speed Rail Authority* (Sacramento County Superior Court, Case No.: 4-2008-80000022; Dept. 31, Judge Kenny), dated April 6, 2009) ("*Atherton I*");

Exhibit 3: Table Identifying Bates numbers for pages within three large files in the Administrative Record ("Record") in the above-captioned case.

Petitioners also request that the Court take judicial notice of a document on file with this Court in the above-captioned action. Specifically, Petitioners request judicial notice of the Authority's document titled: "Respondents' Memorandum of Points and Authorities in Opposition to Motion for Preliminary Injunction and Alternative Application for Administrative Stay" ("Opposition to PI Motion"), filed November 2, 2012 with this Court in this action.

Exhibits 1 through 3 to the Holder Declaration and the Opposition to PI Motion are collectively referred to herein as the "Subject Documents." Petitioners offer the following Memorandum of Points and Authorities in support of their request that the Court take judicial notice of each of the Subject Documents.

MEMORANDUM OF POINTS AND AUTHORITIES

IN SUPPORT OF REQUEST FOR JUDICIAL NOTICE

The court should take judicial notice of the Subject Documents pursuant to Evidence Code section 452.[1] Section 453 requires that a trial court "shall" take notice of any matter specified in Section 452, provided that the party requesting notice (a) gives each adverse party sufficient notice of the request to enable that party to meet the request and (b) furnishes the court with sufficient information to enable it to take judicial notice of the matter. This request, and the Subject Documents filed herewith and referenced herein in support of this request, satisfy the requirements of Section 453 by providing all parties with notice adequate to enable them to oppose the request, and by providing this Court with both the entire materials for which notice is requested (or with respect to the Opposition to PI Motion, a specific reference to the part of the Court's file sought to be judicially noticed), and also argument concerning the propriety of taking judicial notice of the Subject Documents pursuant to Section 452.

1. The Court Must Take Judicial Notice of Exhibit 1 as the Decisional Law of a Court of the State of California, Pursuant to Section 452, Subdivision (a).

Section 451, subdivision (a), requires judicial notice of "[t]he decisional ... law of this state." Exhibit 1 to the Holder Declaration is a true and correct copy of the final judgment entered in the *Atherton II* case. Exhibit 1 is relevant to this case because it provides evidence that the Court in *Atherton I* found that the 2008 Bay Area PEIR contained invalid conclusions of reduced Project impacts based on the incorrect assumption that the UPRR would allow the Project to share its ROW, and determined that this false assumption made it likely that the

[1] All statutory citations herein are to the California Evidence Code.

Project would have greater impacts than disclosed in the PEIR, triggering revisions to the 2008 Bay Area PEIR and recirculation for public review. Exhibit 1 is also relevant to this case because it provides evidence of the deficiencies this Court found in the 2010 Revised Bay Area PEIR (as these terms are defined in the accompanying Opening Brief).

For these reasons, the Court must take judicial notice of Exhibit 1.

2. The Court Should Take Judicial Notice of Exhibit 2 and the Opposition to PI Motion Pursuant to Section 452, Subdivision (d).

Section 452, subdivision (d), allows judicial notice of "[r]ecords of ... any court of this state." Exhibit 2 to the Holder Declaration is a true and correct copy of the Authority's Opposition Brief filed in the *Atherton I* case, a document in this Court's records. Exhibit 2 is relevant to this case because it provides evidence of the Authority's prior representations to the Court concerning assurances of adequate project-level environmental review.

The Opposition to PI Motion is a document within the Court's file in the above-captioned action. Statements made in the Opposition to PI Motion are relevant to the Authority's schedule for completing environmental review for the challenged Section approvals. Petitioners will make arrangements with the clerk to have the Opposition to PI Motion in the courtroom at the time of the hearing, pursuant to California Rules of Court, rule 3.1306(c).

For these reasons, the Court may take judicial notice of Exhibit 2 and the Opposition to PI Motion.

3. The Court Should Take Judicial Notice of Exhibit 3 Pursuant to Section 452, Subdivision (h).

This Court should take judicial notice of each Exhibit 3 under Evidence Code section 452, subdivision (h). Subdivision (h) authorizes judicial notice of matters "that are not reasonably subject to dispute and are capable of immediate and accurate determination by resort to sources of reasonably indisputable accuracy." Exhibit 3 to the Holder Declaration is a table prepared under the direction of Mr. Holder that provides a compilation of the Bates numbers for each document in the Record that indicates access to a particular parcel affected by

the Section was "denied."[2] The factual accuracy of Exhibit 3 is not reasonably subject to dispute because the accuracy of this document is immediately determinable by reference to the Record. Exhibit 3 is relevant to this case because it provides a concise compilation of information in the Record identifying parcels affected by the Section to which the Authority was denied access for purposes of conducting environmental surveys, and allows a calculation of the percentage of parcels within the area affected by the Section where the Record shows that access "denied."

For these reasons, the Court may take judicial notice of Exhibit 3.

Conclusion

Petitioners therefore request that the Court take judicial notice of the Subject Documents identified and referenced herein.

Dated: January 11, 2013

FITZGERALD ABBOTT & BEARDSLEY LLP

By _____
Jason W. Holder

Attorneys for Petitioners County of Madera, Madera County Farm Bureau, Merced County Farm Bureau, Preserve Our Heritage, Chowchilla Water District, and Fagundes Parties

[2] Holder Decl., ¶¶ 5 - 10.

PROOF OF SERVICE - C.C.P. §§1011 - 1013a

I, the undersigned, declare: I am employed in the County of Alameda, State of California. I am over the age of 18 and not a party to the within action. I am employed by Fitzgerald Abbott & Beardsley LLP, located at 1221 Broadway, 21st Floor, Oakland, CA 94612. I am readily familiar with this firm's business practice of processing of documents for service.

On **January 11, 2013**, I served a true and correct copy of the following document(s):

REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF PETITIONERS' OPENING BRIEF

on all the following interested parties, by causing service by the method indicated below:

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	U.S. Mail - By placing a copy of said document(s) in a sealed envelope with postage thereon fully prepaid, and depositing said envelope with the U.S. Postal Service, following this firm's business practices.
X	Overnight Delivery - By placing a copy of said document(s) in a sealed pre-paid overnight envelope or package and depositing said envelope or package today in a box or other facility regularly maintained by the express service carrier, following this firm's business practices.
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X	Electronic Service - By electronically sending a copy of said document(s) to the attorney or party as stated above and as agreed upon, in writing, by the parties.

I declare under the penalty of perjury under laws of the State of California that the foregoing is true and correct. Executed on **January 11, 2013**, at Oakland, California.

Alleen N. Hodgkin

Footnote 2: Reply Brief 2013

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EXEMPT FROM FILING FEES
(GOVERNMENT CODE 6103)

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO - GORDON D. SCHABER COURTHOUSE

COUNTY OF MADERA, et al.,

Petitioners and Plaintiffs,

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Petitioner and Plaintiff,

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Respondents and Defendants.

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Petitioners and Plaintiffs,

vs.

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Respondents and Defendants.

Lead Case No.: 34-2012-80001165-CU-WM-GDS

Cases Consolidated for Case Management, Briefing and Trial Purposes Only With:

Case Nos.: 34-2012-80001166-CU-WM-GDS
34-2012-80001168-CU-WM-GDS

PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

Hearing on the Merits:
Date: April 19, 2013
Time: 9:00 a.m.

ASSIGNED FOR ALL PURPOSES TO:
THE HONORABLE TIMOTHY FRAWLEY
DEPARTMENT 29

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I. Introduction: the Authority Misstates Black Letter Law, Misrepresents Evidence in the Record, and Relies on Information Outside the EIR to Cover Up CEQA Deficiencies

The Respondent's Opposition Brief ("Opposition" or "ROB") defends the FEIR prepared for the Section by providing ineffective excuses for the flawed tiering and deferred environmental review process, misstating black letter CEQA law, mischaracterizing Petitioners' arguments, and urging a legally improper deferential standard of review to Petitioners' claims involving questions of law. The Opposition also mischaracterizes facts in the Record, improperly relies on information outside of the FEIR, and presents factually unsupported justifications in an attempt to mask the FEIR's glaring and fundamental deficiencies. These efforts constitute an unlawfully narrow and evasive approach to environmental review and public participation.

Faced with the election of a Governor who just wants to "get s--- done"[1] and a late 2010 award under the federal stimulus package providing funding only for projects that can spend a massive amount of cash fast, the Authority changed course in the middle of its project planning. It jettisoned station-to-station construction in favor of constructing an ICS that, as an integral 130-mile segment, could qualify for the federal dollars. In the rush to move forward, the prior plans for completing CEQA review got in the way.[2] In response, the Authority simply eliminated some of its planned analysis, moved ahead without sufficient project design essential for review, and stuck to presenting its theoretical station-to-station project concept even though the actual project had become the ICS.

CEQA provides an important brake to protect the environment and California's residents: this landmark law prevents decision makers from placing expediency above legal duty. This Court's role is to enforce that duty so that CEQA serves its essential function to "provide long-term protection to the environment."[3] Contrary to the "sky is falling" scenarios the Authority has previously presented, a determination by this Court that the FEIR does not comply with CEQA does not necessarily equate to any loss of federal funding. When finding an agency has not complied with CEQA, a reviewing court retains discretion to fashion appropriately calibrated relief. This discretion does not extend, however, to excusing the crucial and numerous violations of CEQA described below and in Petitioners' Opening Brief. Instead, the Court must apply the law and find violations where they exist.[4]

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[1] http://blogs.sacbee.com/capitolalertlatest/2012/07/jerry-brown-i-want-to-get-s----done-at-this-stage-of-life.html.

[2] The Authority acknowledged (and indeed highlighted) its change of priorities in its previous briefing in opposition to Petitioner's preliminary injunction motion.

[3] *Mountain Lion Foundation v. Fish & Game Com.* (1997) 16 Cal.4th 105, 112, citing § 21001.

[4] Space constraints preclude Petitioners from addressing every argument Respondent makes in its Opposition. This, however, should not be interpreted as a waiver of any of Petitioners' claims. *See* Petitioners' Opening Brief.

II. The FEIR's CEQA Violations are Undeniable Under Black Letter Law

A. The Court Owes No Deference to the Authority With Respect to Legal Claims

While the Court may not substitute its judgment for that of the people and their representatives, it can and must "scrupulously enforce all legislatively mandated CEQA requirements."[5] Indeed, the Court owes no deference to the Authority where it has misapplied the law.[6]

When describing the applicable standard of review for addressing Petitioners' claims, the Authority emphasizes the "substantial evidence" standard applicable to factual conclusions and conveniently discounts the separate "failure to proceed" standard applicable to procedures and questions of law.[7] Given the nature of the majority of Petitioners' claims, this articulation of the applicable standard of review is legally incorrect and an invitation to error.

The violations of CEQA black letter law identified in Petitioners' Opening Brief ("POB") and described further below are subject to *de novo* review, not the substantial evidence standard. Specifically, the *de novo* review standard applies to Petitioners' claims of improper tiering,[8] piecemealed environmental review,[9] incomplete and inconsistent project description,[10] the failure to follow procedures required for cumulative impacts analysis,[11] the complete failure to analyze secondary impacts,[12] and what constitutes "new" significant information for purposes of triggering recirculation.[13] These claims raise questions of law. The Court must presume prejudice when an agency fails to adhere to CEQA's mandatory requirements.[14]

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[5] *Citizens of Goleta Valley v. Bd. of Supervisors* (1990) 52 Cal.3d 553, 564.

[6] Remy, et al., *Guide to CEQA* (11th Ed., 2006) (*Remy*), p. 826, excerpt attached as Exh. A.

[7] ROB 4:9-13, eiting *In re Bay-Delta Programmatic [EIR] Coordinated Proceedings* (2008) 43 Cal.4th 1143, 1161-62 (*In re Bay Delta*). *In re Bay Delta* does not support the Authority's broad brush characterization of the standard of review applicable to Petitioners' claims.

[8] *East Peninsula Education Council, Inc. v. Palos Verdes Peninsula Unified School Dist.* (1989) 210 Cal.App.3d 155, 165 [interpretation and applicability of a statute is question of law].

[9] *Communities for a Better Environment v. City of Richmond* (2010) 184 Cal.App.4th 70, 98 (*CBE*); *see also Tuolumne County Citizens for Responsible Growth v. City of Sonora* (2007) 155 Cal.App.4th 1214, 1224 (*Tuolumne County*).

[10] *Ibid.* [applying *de novo* review to claim EIR did not describe all project components].

[11] *Ebbetts Pass Forest Watch v. Calif. Dept. of Forestry and Fire Protection* (2008) 43 Cal.4th 936, 949 [whether agency followed required cumulative impact analysis procedures "is a predominantly procedural question" on which courts exercise independent legal judgment"]; *see also Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1208 (*Bakersfield*).

[12] *See Citizens to Preserve the Ojai v. County of Ventura* (1985) 176 Cal.App.3d 421, 428; *see also Laurel Heights Improvement Assn. v. Regents of University of California* (1988) 47 Cal.3d 376, 409, fn. 12 (*Laurel Heights I*) [unsupported no impact opinion entitled to no judicial deference].

[13] *See* § 21092.1; *see also* fn. 8, *supra*.

[14] *Sunnyvale West Neighborhood Assn. v. City of Sunnyvale City Council* (2010) 190 Cal.App.4th 1351, 1385, quoting *Sierra Club v. State Bd. of Forestry* (1994) 7 Cal.4th 1215, 1237.

B. The FEIR Unlawfully Tiered Off of Two Decertified PEIRs

The DEIR tiered off of the already decertified 2008 Bay Area PEIR; it also tiered off of the 2010 Revised Bay Area PEIR, which was then in the midst of litigation and was also decertified in April 2012, before the FEIR was released. The CEQA statute (§ 21094(a)) and controlling case law are clear – a lead agency can only tier a FEIR off of a certified EIR and a FEIR may not tier off of a decertified EIR.[15] The Authority's attempts to explain away this fundamental violation of CEQA fail.

The Authority offers no explanation at all for tiering off of the decertified 2008 PEIR and, with respect to the decertified 2010 PEIR, baldly asserts (without any legal authority or factual basis) that the 2010 PEIR was somehow not "really" decertified. More specifically, the Opposition states that the challenge to 2010 PEIR was only "partially" successful and that Respondent's filing of a notice of appeal of the trial court's ruling "stayed" decertification while the appeal was pending.[16] Both of these arguments evaporate under closer scrutiny.

First, the February 2012 Supplemental Writ of Mandamus ("Supplemental Writ") issued by this Court in the litigation on the 2010 PEIR makes no mention of "partially" or "selectively" decertifying only portions of the 2010 PEIR.[17] Rather, the Supplemental Writ required the Authority to set aside its certification of the 2010 PEIR in its entirety: that is what the Authority did.[18] While a trial court has discretion in certain circumstances to partially decertify a EIR, that is not what was done.

Second, the effect of Respondent's notice of appeal is irrelevant. Perfecting an appeal from the Court's ruling ordering decertification of the 2010 PEIR does not "stay" the Authority's responsive decertification Resolution. The Authority decertified the 2010 PEIR in its entirety before releasing the FEIR. End of story. The Authority's "stayed" argument is hollow and disingenuous.

Perhaps recognizing that there was no merit to its "partial" and "stayed" decertification arguments, the Authority presents a third argument to try to salvage its tiering scheme. In effect, the Authority argues that the new 2012 Partially Revised PEIR either masked the DEIR's invalid tiering off of the decertified 2008 and 2010 PEIRs or somehow revived the 2010 PEIR.[19] This tiering argument is even more legally and factually dubious than its "partial" and "stayed" arguments.

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[15] *Friends of Santa Clara River v. Castaic Lake Water Agency* (2002) 95 Cal.App.4th 1373, 1383, quoting § 21094(a).

[16] ROB 7:7-14.

[17] *See* Exh. 3 to Declaration of James Andrew in Support of Opposition ("Andrew Decl."), Order Denying Discharge of Writ of Mandate and Ordering Issuance of Supplemental Writ of Mandate.

[18] *Id.* p. 2:15-21; *see also* F133407 [Resolution #HSRA 12-18, decertifying 2010 PEIR in its entirety].

[19] ROB 8:1-7.

In response to the Supplemental Writ, the Authority opted to prepare and certify a new Partially Revised PEIR in 2012.[20] The FEIR includes just two passing references to the a new 2012 PEIR, suggesting in these passages that, while the DEIR for the Section tiered exclusively off the decertified 2008 and 2010 PEIRs, the FEIR was now also tiering off of the 2012 PEIR and the 2008/2010 PEIRs.[21] Based on this approach and reasoning, the Opposition now attempts to disregard critical facts: (1) the DEIR and FEIR tier off of different documents, (2) the 2008 and 2010 PEIRs were both decertified in their entirety, and (3) the FEIR does not explain how the 2012 PEIR corrected the decertified PEIRs (or otherwise relates to the prior analysis). Reduced to its core, this third argument appears to have two aspects, both of which are absurd: (1) simply pretend there was no tiering off of the decertified 2008 and 2010 PEIRs (notwithstanding that the FEIR's text primarily references tiering off of only these PEIRs); and (2) by filing a notice of appeal (which the Authority did not pursue) and certifying the 2012 PEIR, the Authority was able to magically "recertify" or "un-decertify" the 2010 PEIR.

The Authority also attempts to distinguish *Friends of the Santa Clara River* by arguing it did not rely on the decertified PEIRs.[22] But it cannot disclaim reliance on the decertified PEIRs because an agency is presumed to have relied on a PEIR when it prepares a second-tier EIR that states it is tiering off of that first-tier PEIR.[23] Further, the FEIR actually did rely on these PEIRs (e.g., it expressly relied on the 2008 PEIR and sometimes both decertified PEIRs for its cumulative impacts analysis).[24] As should be evident, all of these arguments are nothing more than smoke and mirrors – an elaborate attempt to explain away a tiering scheme that was impermissible under established CEQA law.

C. "Disclosing" Integral Phases of the Project and Promising to Assess Environmental Impacts of Phases "Later" Does Not Avoid CEQA Piecemealing

The Authority fundamentally misrepresents why CEQA's piecemealing prohibition exists. Piecemealing is not simply about "disclosing" the components of the whole project and promising

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[20] F133408-410 [Resolution #HSRA 12-17, certifying 2012 Partially Revised PEIR].

[21] *See* B000147-48, 7828-29. These cursory explanations regarding (1) multiple rounds of litigation challenging the Bay Area PEIRs and (2) the consequential revisions to the PEIRs did not adequately explain the situation or its implications. *See* Part III, *infra*.

[22] ROB 8:20-29.

[23] *Friends of Santa Clara River*, *supra*, 95 Cal.App.4th at p. 1384 [rejecting similar argument, noting "respondent's reliance on the [first-tier EIR] is implicit in the concept of tiering"], citing Guidelines, § 15152(g). The Authority disregards this critical part of the court's ruling. ROB 8-9.

[24] *See, e.g.*, B001342-45, 52; *see also* B008634 [response to comment #1111-4 "The EIR/EIS is also tiering by relying on the analysis in the previous Program EIRs addressing the impacts of the full 800-mile system and cumulative impacts of the HST System as a whole"].

future analysis for some of them, as the Authority asserts.[25] It is about ensuring that the environmental impacts of the whole project are actually assessed up front, at one time and are fully mitigated.[26]

Guidelines sections 15165 and 15378 establish that: when an individual activity is part of a larger project, the EIR for the activity must address the environmental impacts of the larger project; that an EIR's project description is required to encompass all components that make up the "whole of the action"; and that a proper assessment of the impacts of the larger project can in some instances be accomplished in the cumulative impacts analysis rather than through a more expansive project description. Taken together, Section 15165 and 15378 make it unlawful for a lead agency to defer analysis of portions of the project. CEQA's piecemealing prohibition ensures that "environmental considerations not become submerged by chopping a large project into many little ones - each with a minimal impact on the environment - which cumulatively may have disastrous consequences."[27]

The Authority violated CEQA's piecemealing prohibition by treating the integral wye alignment as severable from the Section and failing to complete the analysis of alignments within the central wye "box."[28] Impacts of the SR 152 wye alternative (and any other new wye alignment alternatives) will be analyzed separately from those of the now-approved portions of the Section, potentially leading to underreported impacts; the incomplete review of wye alignment alternatives followed by approval of disconnected portions of the Section has created irreversible momentum to approve the missing wye connection. The piecemealing prohibition is intended to prevent precisely these results.[29] "More analysis" of the wye alternatives "later" does not avoid or cure the problem, as the Authority asserts.[30] Instead of being a defense to piecemealing, the pledges of future environmental review are admissions that such piecemealing has occurred. The Authority piecemealed review by not completing impact analysis for the "wye" alignment alternatives in the FEIR for the Section. Period.

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[25] ROB 11:3-19 [incorrectly suggesting piecemealing concerns whether environmental effects of undisclosed components/phases of a larger project will ultimately go "un-analyzed"].

[26] *See* POB 19:2-10, fns. 107, 108.

[27] *Bozung v. Local Agency Formation Comm.* (1975) 13 Cal.3d 263, 283-284 (*Bozung*); *see also Laurel Heights I, supra*, 47 Cal.3d at p. 396.

[28] *Tuolumne County, supra*, 155 Cal.App.4th at p. 1229, citing *Sierra Club v. West Side Irr. Dist.* (2005) 128 Cal.App.4th 690, 698; *see also* POB 20-21. The Authority points out — quite correctly — that a lead agency can approve less of a project than it analyzed (ROB 11:20-26, 12:1-2), but the point is irrelevant and mischaracterizes the piecemealing claim: the Authority did not fully analyze the Section – it expressly deferred analysis of the SR 152 wye. POB 7:8-10, 19:11-15, fns. 109-110.

[29] *See City of Carmel-By-The-Sea v. Bd. of Supervisors* (1986) 183 Cal.App.3d 229, 242 (*Carmel*); *see also Santiago County Water Dist. v. County of Orange* (1981) 118 Cal.App.3d 818, 830 (*Santiago*).

[30] ROB 10:6-12. *See Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova* (2007) 40 Cal.4th 412, 440-446 *(Vineyard)* [rejecting arguments that more analysis later concerning project's water supply cures deficiency in EIR, on the basis of impermissible deferral of analysis].

The Authority asserts that the Section was the CEQA project but admits that its wye analysis was incomplete.[31] Defending this approach, it claims full analysis of the wye was not required because it will not "soon" construct this central portion of the Section.[32] Yet it then claims it did not need to analyze the ICS as the CEQA "project" because the (entire) Section "can be implemented independently."[33] These inconsistent arguments show the Authority wants to have it both ways.

D. The FEIR's Project Description is Inaccurate, Imprecise, and Inconsistent

It is "crucial" for the decision makers to know what the "project" is.

> Numerous cases have stated that "[o]nly through an accurate view of the project may affected outsiders and public decision-makers balance the proposal's benefit against its environmental cost, consider mitigation measures, assess the advantage of terminating the proposal ... and weigh other alternatives in the balance" and that "[a]n accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient EIR." [Citations.][34] (emphasis added)

Correctly determining the project's nature and scope is a "critical step" in complying with CEQA.[35]

The ICS is the true CEQA "project" that the Authority was required to accurately describe and analyze: The FEIR provides an inaccurate description of the project – it focuses on a theoretical Section while barely hinting at the ICS. But the ICS is what the Authority has been planning to build since late 2010: it is the only portion of the Project in the Central Valley for which there is available funding.[36] It will include entirely new track on a fully separated ROW that spans 130 miles, with Amtrak trains operating in the interim and high-speed trains operating if and when the $31.3 billion IOS is completed.[37] The ICS, even if initially not capable of running high-speed trains, is still a new rail line. The Authority was required to accurately describe and analyze the ICS as the CEQA "project."[38] It was inaccurate to describe the Section as the project.

While the FEIR added cursory references to the ICS, these few sentences did not (1) provide any of the available details concerning the Authority's actual plans for construction and interim operation or (2) analyze any of the direct, indirect and cumulative impacts of constructing and

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[31] *See* B000175-76 [explanations re incomplete analysis of wye alternatives]; *see also* ROB 10-12.
[32] ROB 10:15-20 [noting that plans to soon construct the ICS do not include construction of wye].
[33] ROB 12:20-21 [disregarding lack of independent utility without the central "wye" alignment].
[34] *Stanislaus Natural Heritage Project v. County of Stanislaus* (1996) 48 Cal.App.4th 182, 201.
[35] *Nelson v. County of Kern* (2010) 190 Cal.App.4th 252, 267 [county erred by considering only the impacts of a mine reclamation plan without also considering the impacts of the mine project itself].
[36] N000025-26, 40-49.
[37] N000002-4, 17-18; *see also* H000613-615 [LAO report stating funding is "highly uncertain"].
[38] *See Carmel, supra*, 183 Cal.App.3d at pp. 241, 244. ROB 12:11-14, 13:1-5 [arguing Authority did not need to analyze the ICS as the project because it would not initially have all HSR characteristics].

operating the ICS.[39] Suggestions to the contrary are false.[40] The Authority's claim that it did not have to analyze the impacts of interim Amtrak service on the ICS is like an agency that approves a freeway project claiming it does not have to analyze any resulting traffic and other anticipated operational impacts because it will not be driving the vehicles. Courts have rejected such narrow approaches to a lead agency's duty to describe and analyze the impacts of all project phases and components.[41]

The situation at issue in this case is analogous to that in *Raptor* – but on a much larger scale. There, an EIR for a large residential mixed-use development project excluded analysis of the impacts of a sewer expansion necessary to service the project on the basis that a separate subsequent EIR would analyze the sewer expansion's impacts. The Court in *Raptor* found that the EIR's "truncated project description" prevented adequate consideration of the larger project's environmental effects and that, even if the sewer expansion was severable from the project, the EIR would still be deficient because the expansion was a foreseeable future project contributing to cumulative effect.[42]

Because these actual construction plans were necessary for accurate analysis of direct, indirect and cumulative construction-period impacts, accurately disclosing this information and integrating it into the impact analysis was mandatory.[43] Where, as here, an agency is actually aware of information relevant to analysis of environmental impacts, it is both reasonable and practical to include that information in an EIR, and omission of that information violates CEQA.[44] The Authority had detailed information regarding the phased construction of the 130-mile ICS even before the DEIR was released and had even more detailed information before the FEIR was released.[45] Yet, the FEIR did not even

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[39] *See, e.g.*, B000252-253, 276 [study area for transportation impacts "ends in downtown Fresno"], 296-300 [no mention of ICS in discussion of construction period traffic impacts], 1342-71, 7854-55 [Standard Response – Gen. 13, falsely stating FEIR analyzed impacts of constructing the ICS].

[40] ROB 13:10-16. Simultaneously circulating the Fresno to Bakersfield section ("F-B section") DEIR for public review did not cure this truncated description problem, as the Authority suggests; it compounded it. Instead of having to review one 17,000-page EIR to understand and comment on the ICS's impacts, the public and public agencies had to review two and draw their own conclusions regarding combined impacts of the undisclosed ICS, which partly spans these two sections.

[41] *See, e.g., Nelson, supra*, 190 Cal.App.4th at pp. 269-270 [County required to describe and analyze all aspects of mining project, while only approving reclamation plan for project on federal land].

[42] *San Joaquin Raptor v. County of Stanislaus* (1994) 27 Cal.App.4th 713, 733 (*Raptor*).

[43] *See* Guidelines § 15161 [EIR shall examine all phases of the project, including construction]; *see also Stanislaus Natural Heritage Project, supra*, 48 Cal.App.4th at p. 204.

[44] *See Friends of the Eel River v. Sonoma County Water Agency* (2003) 108 Cal.App.4th 859, 870-71 [lead agency improperly withheld information relevant to project's impacts from EIR].

[45] *See* G000374-375 [June 2011 report to CHSRA Board]; *see also* N000094, 99-102 [March 2012 CP1 RFP, Scope of Work]; *see also* I005600-03, 5804-07 [April 2012 submittals to FWS and CDFG].

describe known construction phasing for the ICS, much less analyze the impacts.[46] As a result, the analysis of construction-period impacts was fundamentally inaccurate.[47]

The Authority had no discretion to chop up the ICS in this way. By not accurately describing the ICS as the project, the Authority "stultif[ied] the objectives of the reporting process."[48] Promises to mitigate the Section's construction-related air quality and traffic impacts cannot compensate for the FEIR's lack of analysis and mitigation of ICS impacts.[49]

The FEIR's Vague Project Description Precluded Required Detailed Impact Analysis: An EIR "is an informational document" that must be "prepared with a sufficient degree of analysis to provide decisionmakers with information which enables them to make a decision which intelligently takes account of environmental consequences."[50] It is an educational tool for decisionmakers and for the public, a document of accountability, and an environmental "alarm bell." For these reasons "CEQA's investigatory and disclosure requirements must be carefully guarded."[51] An EIR's "failure to provide enough information to permit informed decisionmaking is fatal."[52] A project description need not contain every detail but it must be sufficiently detailed for full environmental impact analysis.[53]

These strict requirements apply to all projects for which an EIR is required, no matter how large or complex – there is no legal support for the suggestion that a larger project gets a "pass" to provide less detail.[54] Such a "grudging, miserly reading of CEQA" would undermine the policy of "afford[ing] the *fullest possible protection* ... within the reasonable scope of the statutory language."[55]

The Authority's design-build approach to project-level review is inadequate under CEQA. What the Authority calls as "design-build" is really "approve now/design later." The approach does not excuse the failure to provide an adequate project description (nothing under CEQA allows a lead

[46] *See* B0253-254 [falsely suggesting RFP for CP1 had not been issued and that construction phasing was still unknown].
[47] *See* B0252-257, 262-263, 296-300. *See also* ROB 14:17-21 [presenting straw man argument re precise detais; cited evidence does not provide accurate and detailed information concerning the ICS].
[48] *County of Inyo v. City of Los Angeles* (1977) 71 Cal.App.3d 185, 192-193.
[49] *See* ROB 12:22-26, 14:3-4.
[50] Guidelines §§ 15121, 15151.
[51] *Assoc. of Irritated Residents v. County of Madera* (2003) 107 Cal.App.4th 1383, 1392 (*AIR*), quoting *Laurel Heights I, supra*, 47 Cal.3d at p. 392.
[52] *Napa Citizens for Honest Gov. v. Napa County Bd. of Supervisors* (2001) 91 Cal.App.4th 342, 361, 374 [EIR inadequate for failing to identify and analyze water sources and wastewater facilities].
[53] Guidelines § 15124.
[54] *See* ROB 4:19-23. The Authority's misreading of Guidelines § 15204 stands CEQA on its head. Instead of permitting less environmental review for large or complex projects, these factors indicate that the larger the project and the greater the impacts, the more "reasonably feasible" it is to invest the resources and time required to adequately study and fully mitigate those impacts.
[55] *See Laurel Heights I, supra*, 47 Cal.3d at p. 390.

agency to forgo this requirement if it is proceeding on a design-build basis). The approach failed here:

- The FEIR's 15% design omitted information required per the Authority's own design-build guidelines, such as the location of construction staging areas, batch plants, and major utilities;[56]
- Decisions regarding important project features (with environmental impacts) were put off until after the public comment period and many were even deferred until after Section approval;[57]
- The Authority admitted the 15% level of design was insufficient for detailed impact analysis (this admission applies to much more than social-economic impacts, as asserted);[58] and
- The Section's vague design invites substantial changes through "value engineering."[59]

The FEIR vaguely described possible Section characteristics and lacked the details necessary for project-level environmental review. For example,

- Water crossing designs were described as optional, and were thus inherently vague;
- Key portions of electricity infrastructure were not described or analyzed (e.g., required power sources, substations and reconductoring of transmission lines, etc.);[60] and
- Irrigation, drainage, and water supply/sewer infrastructure was not specifically identified.[61]

Without specific descriptions of these project components, detailed impact analysis was impossible.

Unstable Section features invalidated project-level impact analysis: The EIR was also required to consistently describe all project characteristics[62] and depict the project's "precise boundaries."[63] But here, the Authority compounded the problems created by an inaccurate and indefinite project description by disclosing substantial changes to Section characteristics in the FEIR. For example:

- The assumed track structure changed from 100% ballast to 70% slab/30% ballast.[64]

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[56] *Compare* F075346-50 [15% design requirements] *with* B000255, 453 [staging area and batch plant locations deferred to final design]; *see also* B009191, 9210 [comment and response re missing info].
[57] *See, e.g.*, B007982, 8134-35, 8209, 8252, 8532, 8748, 8928, 9179, 9346-47 10714-15.
[58] B008114, 8137, 8211. The Authority mischaracterizes these admissions as only applying to socio-economic impacts. ROB 16, fn. 27.
[59] *See, e.g.*, K011271, 11381, 12940-41 [planned viaducts may be converted into earthen berms to save money]; *see also* N000108. These e-mails demonstrate the vulnerability the vague design has with respect to major post-approval project changes without environmental review.
[60] B000452-453, 610, 618, 627, 639, 1178; *see also* B009346 ["The specifics of connections, specific extensions of lines, and future remote power sources are unknown at this time"].
[61] *See, e.g.*, B008215, 8420-21, 9178-79, 9347. The Authority simply assumed the many undisclosed conflicts with existing utilities would be solved (but had no basis for doing so).
[62] *See Mira Monte Homeowners Assn. v. County of Ventura* (1985) 165 Cal.App.3d 357, 366 (*Mira Monte*); *see also County of Inyo, supra*, 160 Cal.App. 3d at p. 1185.
[63] Guidelines § 15124(a). The Authority offers no support for its assertion that CEQA does not require a stable and accurate description of a project's boundaries. ROB 19:17-20.
[64] *See* POB 24-25, fns. 140, 146, citing, *e.g.*, C000519, B000076, 167, 255-256, 520.

- Every HMF alternative was unviable because none are located adjacent to the ICS.[65]
- Adding the shoofly expanded the impacted area beyond that covered in the DEIR.[66]

The result: a huge gulf between the Authority's plans – the ICS – and what the FEIR described and studied. The fact that the ICS is large and complex, and that the Authority was in a hurry to complete the process, does not excuse the inaccurate, indefinite and unstable project description.

E. The FEIR Failed to Analyze the Section's Cumulative Impacts in Combination With Contributing Impacts of Neighboring Project Sections

As Petitioners pointed out in their Opening Brief, Courts have held that an adequate cumulative impacts analysis is "absolutely critical" and "vitally important" when multiple projects will produce cumulative impacts.[67] The full environmental impact of a project cannot be gauged in a vacuum.[68]

The FEIR failed to analyze the contributing cumulative impacts of neighboring sections: To properly analyze the Section's contribution to cumulative impacts together with the contributions from neighboring sections, the FEIR would need to describe these sections and their contributing impacts, and then determine whether the Section's impacts, when combined with those of these sections, would be cumulatively considerable.[69] But the FEIR did not even accomplish step one in this process – it never described the neighboring sections nor did it include them on the lists of projects relevant to the cumulative impacts analysis.[70] While it acknowledged the possibility of cumulative construction air-quality impacts from the F-B section, it did not analyze these and other contributing impacts.[71]

Instead of providing the required analysis, the FEIR provides generalized descriptions of impacts of the "HST System" as a whole, based on the PEIRs.[72] The Authority points to these discussions concerning system-wide impacts when claiming the FEIR provides the required analysis, but ignores their reliance on the PEIRs (see analysis above regarding why such tiered reliance on the

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[65] This is not a matter of speculation, as the Authority asserts; it is evidenced in the Record. *See* B008934 ["a [HMF] will be constructed and outfitted … on a parcel of land adjacent to the ICS tracks"]; *see also* B000177, N000128. The Authority's defense that the HMF's are theoretically viable is hollow (ROB 18:16-21); theoretical viability is entirely irrelevant for the purpose of impact analysis.

[66] *See* POB 25, fn. 147, citing, *e.g.*, B000160-161.

[67] POB 27:9-15.

[68] *Bakersfield, supra*, 124 Cal.App.4th at p. 1214 [summarizing cases concerning the importance of an adequate cumulative impacts analysis].

[69] *See Remy, supra*, pp. 467-468, attached hereto as Exh. A.

[70] *See* ROB 22:16-21 [referring to lists of planned and potential projects].

[71] For example, the discussion regarding cumulative impacts from construction never acknowledges the planned construction of the F-B section. *See, e.g.*, B001342. In some instances, the discussion of cumulative impacts directly contradicts what the Authority knew. *See, e.g.*, B001361 [stating some cumulative impacts cannot be identified because construction schedule has not been fully developed].

[72] *See* B001352 ["As described in the Program EIR/EIS documents…."], 1345-46, 49, 55, 56, 57, 59, 69, 71 [same], 1362, 64, 66 [analyses refers only to 2005 PEIR and (decertified) 2008 PEIR].

decertified PEIRs is impermissible).[73] The generalized analysis in the early PEIRs, with the later-rejected assumption that the Project could share rights-of-way and deferred analysis of many types of impacts, could not possibly provide the missing analysis.[74] Thus, the FEIR failed to provide the required analysis of the Section's cumulative impacts combined with neighboring sections' impacts.

This failure is analogous to a city's failure to consider cumulative impacts of two neighboring supercenters in *Bakersfield*.[75] There, the court found that the two projects were "present" and "closely related" projects within the meaning of Guidelines § 15355(b) such that cumulative impacts analysis was required to consider the neighboring project's contributing impacts. Here, as in *Bakersfield*, the neighboring F-B section is a present and closely related project because the DEIR for the F-B section was released simultaneously with the Section's DEIR, commenters commented on both sections, and major portions of both sections will be constructed together as part of the ICS.[76] Similarly, the San Jose to Merced and Merced to Sacramento sections are future and closely related projects: the Authority had already begun preparing the EIRs for these sections and was designing those routes even before the DEIR for the Section was released.[77] Each of these neighboring sections will likely cause impacts that will contribute to the Section's impacts.[78] Yet the FEIR gauged the Section's effects in a vacuum, preventing accurate disclosure of the significance of cumulative impacts.

The FEIR "failed to reflect a conscientious effort to provide public agencies and the general public with adequate and relevant detailed information" about the Section's cumulative impacts.[79] Therefore, the Authority did not comply with a critical and mandatory CEQA requirement.

By not explaining its rationale for limiting the geographic scope of the cumulative impacts analysis, the Authority violated CEQA: The Authority attempts to justify the geographic scope of its impact analysis by asserting the FEIR described the selected geographic scope for each resource area

[73] ROB 22:22-27, 23:1-27 [citing FEIR discussions that rely on PEIRs]; *but see* ROB 8:27-28 [disclaiming reliance on PEIRs]. This is yet another example of inconsistent and mutually exclusive positions. The Authority cannot have it both ways.

[74] *See* POB 3-4, 32-33, fns. 3, 4, 183, 185.

[75] *Bakersfield, supra*, 124 Cal.App.4th at pp. 1215-1216 [EIR deficient for failing to consider cumulative impacts of neighboring supercenter projects].

[76] *See, e.g.*, G000414-15 [July 2011 Staff Report], B007960 [EPA comments], 8499 [CFBF comments], N000128 [map depicting CP1].

[77] *See* B011287, 11295-97 [Program Management Team Progress Report, July 2011, references to environmental review and engineering work for neighboring sections].

[78] The Authority presents straw man arguments to dismiss the possibility that neighboring sections could contribute to the Section's cumulative impacts (e.g., noise impacts in distant cities will not combine). ROB 23:19-23. These arguments ignore the likelihood that neighboring sections will contribute to cumulative noise and other impacts in the areas where they meet. *See* POB, 31.

[79] *San Franciscans for Reasonable Growth v. City and County of San Francisco* (1984) 151 Cal.App.3d 61, 79 [city failed to consider related pending projects in cumulative impact analysis].

and provided "an additional explanation," where "warranted."[80] This argument disregards the requirement to explain the criteria used to select the geographic scope for every resource area.[81] For almost all resource areas, the FEIR simply asserts the geographic scope for analysis, without explaining the selection criteria.[82] In this respect too, the FEIR is analogous to the inadequate EIR in *Bakersfield* and differs from the EIR upheld in *City of Long Beach* (the case the Authority cites).[83] For example, the FEIR's study area for cumulative impacts to agricultural lands included only "Merced, Madera, and Fresno counties."[84] It did not explain why the scope excluded Kern and Kings counties, when the Authority knew that the ICS would traverse these counties through productive farmland.[85]

F. Significant New Impacts Disclosed in the FEIR Triggered Recirculation

The Authority argues that the widespread increases in noise impacts from substituted slab, the miles of additional sound barriers, and new historic resources impacts did not trigger recirculation. These arguments rely on a crucial misunderstanding of what constitutes "significant new information" that triggers recirculation under Guidelines, section 15088.5. These instances of additive significant new information required recirculation, in accordance with well-established CEQA precedent.[86]

The switch to concrete slab revealed significant new impacts, triggering recirculation: When arguing the switch from 100% ballast to 30% ballast/70% slab did not trigger recirculation, the Authority applies incorrect standards by pointing to "net" noise impacts after uncertain mitigation from substituted concrete slab.[87] This argument fails for several reasons. First, the argument is based on the incorrect and unsupported assumption that all of the proposed sound barrier mitigation will be implemented to produce a "net" decrease in severe noise impacts.[88] In the FEIR, adopted CEQA

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[80] ROB, 21:15-25.

[81] *See* POB, 29:12-16, citing *Bakersfield, supra*, 124 Cal.App.4th at p. 1216.

[82] *See, e.g.*, B001337, 1342 [Transportation], 1343 [Air Quality], 1345 [Noise], 1347 [Public Utilities and Energy], 1349 [Biological Resources and Wetlands], 1357 [Hazardous Materials and Wastes].

[83] *Compare Bakersfield, supra*, 124 Cal.App.4th at p. 1216 [no explanation provided for determining geographic area for each category of impacts] *with City of Long Beach v. Los Angeles Unified School Dist.* (2009) 176 Cal.App.4th 889, 909 [EIR "provided a reasonable explanation" of same].

[84] *See* B001365.

[85] F133876 [Central Valley is one of the richest most productive agricultural regions in the world], B001066 [FEIR describing regional agriculture]; *see also* N000048, 128 [maps of ICS and CP1].

[86] *See, e.g., Sutter Sensible Planning, Inc. v. Bd. of Supervisors* (1981) 122 Cal.App.3d 813, 822–823.

[87] ROB 38:14-22, fn. 50. The Authority admits the DEIR's noise and air quality impact analyses assumed 100% ballast and the FEIR's analyses reflected a substantial change in that assumption (ROB 38, fn. 49), but asserts that this switch is merely "an engineering/constructability issue, not a fundamental project description issue" and that the "look" and "location" of the track described in the DEIR will be the same as the track in the FEIR. (ROB 18:3-5) These claims are preposterous because they disregard the difference in impacts between the two project designs, as evidenced in the Record.

[88] ROB 38:14-23, 39:1-2.

findings, and SOC, however, the Authority acknowledged that sound barrier mitigation is uncertain, because local governments may not agree to barriers as mitigation and because the ultimate approved design may not attenuate noise to the levels assumed in the analysis.[89] The Authority cannot avoid recirculation by asking the Court to now assume that the new slab-induced increase in severe noise impacts will be mitigated to lower levels. Thus, the potential substantial increase in severe noise impacts from slab triggers recirculation, pursuant to Guidelines section 15088.5(a)(2).[90]

Second, the Authority cannot dispute the fact that the FEIR acknowledged new significant noise impacts even after mitigation, whereas the DEIR assumed that sound barrier mitigation, where implemented, would be 100% effective in eliminating severe noise impacts.[91] This acknowledgement that significant noise impacts would remain even after mitigation triggered recirculation.[92]

Third, the FEIR proposes more than five miles of sound barriers as mitigation to reduce slab-induced severe noise impacts.[93] Constructing these new barriers will cause increased air quality, noise and other impacts.[94] They will also cause new visual impacts when in place. The Authority strives to distract attention from (and minimize through an improper extra-Record analysis) these increased impacts that were never analyzed.[95] It also relies on analysis of the project's overall air quality impacts, but this analysis was revised substantially after the DEIR was circulated for public review.[96] The Authority cannot escape the fact that the extensive sound barriers, added to mitigate increased severe noise impacts from the switch to slab, will cause new impacts that triggered recirculation.[97]

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[89] *See* B000568 ["some severe noise effects may not be mitigated if barriers that would fully mitigate impacts are undesirable because of their visual impacts"], 569; *see also* A000041-42 [finding sound barrier mitigation uncertain and noise impacts significant and unavoidable], 124-25 [SOC], 155-56.

[90] Guidelines § 15088.5(a)(2) [in order for a substantial increase in an impact to not be considered significant new information, it must be mitigated to below a level of significance]; *see also Vineyard*, *supra*, 40 Cal.4th at pp. 48-49 [potential new impact to salmon species triggered recirculation].

[91] *Compare* C000606 [Tables 3.4-21 through 3.4-23, no severe noise impacts after sound barrier mitigation] *with* B000546 [revised Tables 3.4-22 through 3.4-24, showing dozens of severe noise impacts after miles of additional sound barrier mitigation for all Section alternative alignments].

[92] *See* Guidelines § 15088.5(a)(2).

[93] *Compare* C000606 *with* B000560 [FEIR added 27,400 feet of sound barriers for Hybrid Alt.].

[94] POB 45:1-3, fn. 267.

[95] ROB 39:4-19-40:1-23. The Authority's argument regarding construction-related-traffic impacts is a red herring – it focuses on operational impacts and ignores the traffic impacts associated with transporting materials necessary to construct miles of additional sound barriers. ROB 39:13-14. Its argument regarding increased sound barrier impacts falls flat because it is conclusory and supported only by evidence of generic impact analysis. ROB 40:4-23.

[96] ROB 39:14-17, citing F095976-77 [buried appendix]. The dramatic 10-fold reduction in disclosed air quality impacts after the public comment period (i.e., behind closed doors and after opportunity for scrutiny) is itself inconsistent with CEQA's public disclosure and participation requirements.

[97] *See* Guidelines § 15088.5(a)(1) [significant impact from new mitigation triggers recirculation]; *see also Mountain Lion Coalition v. Fish & Game Com.* (1989) 214 Cal.App.3d 1043, 1052-1053.

New impacts to unique historic resources triggered recirculation: The Authority attempts to disregard significant new impacts to the Belmont Subway/Circle, claiming these resources are within a category of already-identified impacts and that reduced impacts to other historic resources offset the new impacts. It offers no legal authority to support this cavalier "net" approach to impact analysis.

The Belmont Circle was the first traffic circle in Fresno, deeded to the City in 1932.[98] Once demolished to make way for HSR, this unique historic structure would be gone forever. The significant impacts on unique historic resources, disclosed for the first time in the FEIR, are analogous to a newly disclosed encroachment on wetlands found to require recirculation in *Mira Monte*.[99]

Guidelines §15088.5 provides that although recirculation is not required when new information in an FEIR merely "clarifies" analysis of an impacted resource previously assessed in a DEIR, recirculation is required when a FEIR identifies a "new" significantly impacted resource that was not previously identified in a DEIR.[100] CEQA decisions have confirmed this distinction.[101] In *Clover Valley*, the Court of Appeal found that recirculation was not required when an FEIR merely added "narrative detail" on the impacts to cultural resources that had been previously identified and analyzed in the DEIR. Yet here, in clear contrast, the significant impacts to the two historic structures noted above were identified for the first time in the FEIR. Similarly, in *Vineyard* the California Supreme Court found that recirculation was required when the FEIR included new information about the potential impacts of groundwater pumping on surface waters/salmon habitat. In making this determination, the *Vineyard* Court did not consider whether "groundwater impacts" in general or "salmon impacts" in general had been analyzed in the DEIR. Rather, the salient point was that the DEIR had not considered the impacts of groundwater pumping on surface waters/salmon habitat, and that the FEIR's acknowledging this potential significant impact constituted significant new information requiring recirculation. Similarly, here the newly disclosed significant impacts to the unique Belmont Circle/Subway and other historic resources also triggered recirculation.

G. Secondary Impacts from Mitigation Measures must be Analyzed

An EIR must analyze and discuss the secondary impacts from mitigation.[102] The lead agency has the burden of showing it has conducted the required impact analysis.[103] It must base its

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[98] B008186, 8253 [comments regarding Belmont Circle/Subway].

[99] *Mira Monte, supra*, 165 Cal.App.3d at p. 364 [increased impacts triggered recirculation].

[100] Guidelines § 15088.5(a)(1).

[101] *See Clover Valley Foundation v. City of Rocklin* (2011) 197 Cal.App.4th 200 (*Clover Valley*); *see also Vineyard, supra*, 40 Cal.4th at pp. 448-449.

[102] Guidelines § 15126.4(a)(1)(D).

[103] *Citizens For Quality Growth v. Mount Shasta* (1988) 198 Cal.App.3d 433, 445-446.

conclusions regarding impacts on substantial evidence.[104] The Authority did not meet that burden here with respect to analyzing potential secondary impacts from mitigation, but attempts to shift that burden onto Petitioners.[105] It cannot shirk its responsibility.

The FEIR failed to analyze secondary impacts from traffic mitigation measures: In direct violation of CEQA's requirements, the FEIR summarily dismissed, without any supporting facts and analysis, the possibility of secondary traffic impacts from the implementation of traffic mitigation measures.[106] These measures involve dozens of individual roadway and intersection expansion activities. These types of transportation projects, on their own, have warranted CEQA review.[107]

The FEIR failed to analyze secondary impacts from habitat restoration mitigation: The Authority also violated this requirement with respect to habitat restoration mitigation. In *CFBF*, for example, the court acknowledged that restoration activities would involve "heavy earth moving equipment," the construction of "[l]evees, ditches, swales, loafing bars, and other features," alteration of the "existing drainage pattern," installation of a new pipeline, and the introduction of new vegetation.[108] The habitat restoration activities at issue here call for similar measures.[109] Yet, the FEIR is devoid of any analysis of potential secondary effects that could be caused by this mitigation work, a clear violation of this CEQA requirement. The Authority's arguments, which point solely to evidence outside the FEIR (and not incorporated by reference), do not address the failure to satisfy the requirements of Guidelines § 15126.4(a)(1)(D).[110]

The Authority summarily dismissed, without any substantiation, the possibility of secondary impacts from traffic and habitat restoration measures. These bare conclusions were prejudicial because they precluded "informed decisionmaking and informed public participation."[111]

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[104] *AIR, supra*, 107 Cal.App.4th at p. 1391 [EIR must contain facts and analysis, not bare conclusions]; *see also* Guidelines § 15384(a).

[105] ROB 33-34, fns. 40-41. This attempt to shift the burden of impact analysis onto Petitioners is a recurrent theme for the Authority. *See* ROB 13:9-10, 14:18-19.

[106] B000398; F090584

[107] *See, e.g., Riverwatch v. County of San Diego* (1999) 76 Cal.App.4th 1428, 1445 [finding EIR contained information needed to evaluate impacts of the roadway widening necessary for project]; *see also Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1190 [rejecting claim that failure to analyze freeway interchange impacts amounted to piecemealed review, but noting that "the interchange improvements will be subject to environmental review at some point"].

[108] *See , e.g., California Farm Bureau Federation v. California Wildlife Conservation Bd.* (2006) 143 Cal.App.4th 173, 195 (*CFBF*) [rejecting agency's argument that changing the use of property from agriculture to habitat would cause no impacts and that project qualified for a category exemption].

[109] B000788 [restoration/enhancement activities include grading, stockpiling, storage of equipment, installation of temporary irrigation, removal of invasive species, and drainage feature treatments].

[110] ROB 34:4-14 [citing unincorporated information provided to FWS concerning mitigation strategy].

[111] *See Sunnyvale West Neighborhood Assn. v. City of Sunnyvale* (2010) 190 Cal.App.4th 1351, 1392.

III. The Opposition Critically Misrepresents the Administrative Record and Unlawfully Relies on Information Not Included or Even Referenced in the FEIR

As explained below, the Authority attempts to supplement the FEIR's deficient analysis with unsupported *post hoc* analysis. This effort violates the "immutable rule" – "[i]f it is not in the record, it did not happen."[112] It also runs afoul of the following admonition:

> The audience to whom an EIR must communicate is not the reviewing court but the public and the government officials deciding on the project. That a party's briefs to the court may explain or supplement matters that are obscure or incomplete in the EIR, for example, is irrelevant.... The question is therefore not whether the project's significant environmental effects *can* be clearly explained, but whether they *were*.[113]

The Authority also attempts to rely on extra-EIR information to make up for the dearth of information in the EIR.[114] This is prohibited where, as here, an EIR does not satisfy specific requirements for incorporating such information by reference.[115] If the Authority wanted to rely on information outside of the FEIR, it was required to follow the requirements of Guidelines, section 15150. Because it did not, its briefs cannot now make up for the lack of explanation in the EIR.

To make matters worse, the Opposition misrepresents facts. Lest the Court be influenced by these unsupported and false statements, Petitioners chronicle and address them, as well.

Dismissed relevance of the decertified 2008 and 2010 PEIRs: The Authority attempts to dismiss the relevancy of the decertified Bay Area PEIRs, arguing that they relate to a different geographic area and that the Statewide PEIR identified the same general route from the Bay Area to the Central Valley.[116] In fact, the errors found in the decertified PEIRs are highly relevant for project-level review for HSR sections throughout the state, including for this Section. The Court's decisions concerning the 2008 and 2010 Bay Area PEIRs debunked a primary assumption (made in the Statewide PEIR and again in the 2008 Bay Area PEIR): that the HSR system could share ROW with freight railroads.[117] The Court found that UPRR's refusal to share its ROW was significant new information that required recirculation (due to increased impacts).[118] These increased impacts will occur along the entire 800-mile Project. Also, the Statewide PEIR deferred analysis and a decision concerning the route connecting the Bay Area to the Central Valley.[119] Only after the Bay Area PEIRs

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[112] *Protect Our Water v. County of Merced* (2003) 110 Cal.App.4th 362, 364.
[113] *Vineyard, supra*, 40 Cal.4th at p. 443, emphasis in original.
[114] *See, e.g.,* ROB 13:10-15 [reliance on unreferenced reports to supplement missing information]
[115] *See Vineyard, supra*, 40 Cal.4th at pp. 442-443; *see also* Guidelines § 15150(c).
[116] ROB 6:15-16, 7:1-6, 8:4-5.
[117] *See* F126565, 753, 791, 799-800. 127185, 193; *see also* F133708, 894, 914, 134567, 645.
[118] *See* Exh. 3 to Andrew Decl., Exh. A, Ruling on Submitted Matter, pp. 3-4.
[119] *See* F139733 [directing preparation of PEIR re alignment connecting Bay Area to Central Valley].

further studied these alternative routes did the Authority Board actually select the Pacheco Pass route – this route requires the Section's wye alignment in the Chowchilla vicinity.[120]

Incomplete analysis of wye alternatives is not harmless: In attempting to excuse the FEIR's failure to analyze the SR 152 wye alignment,[121] the Authority flatly misrepresents facts. Its ignores its own FEIR and other studies and suggests the SR 152 wye alternative would have less impacts than the two alternatives considered in the FEIR.[122] The only evidence cited to support the claim that "[n]o impacts went under-disclosed" are letters from federal agencies that do not support this assertion. With no supporting FEIR evidence, the Authority resorts to making up facts regarding SR 152's impacts.

Inaccurate information concerning the constructing the ICS (starting with CP1): The Authority incorrectly describes CP1 as only including a portion of the Section – CP1 also includes the northern 5-mile portion of the neighboring F-B section, through south Fresno.[123] Thus, even this first ICS construction phase implicates the FEIR's cumulative impacts analysis. The claim that "other traffic impacts are localized … and were discussed in the F-B DEIR" lacks any Record support.[124]

The Authority also claims the public could not have been misled regarding its plans to construct the ICS because (1) separate staff reports disclosed some information regarding the ICS and (2) the F-B section's DEIR was released simultaneously with the Section's DEIR.[125] Neither the DEIR or FEIR, however, mention these staff reports. The FEIR's responses to comments mentioned the simultaneous release of the F-B section's DEIR,[126] but adding these terse references at the eleventh hour can scarcely be called effective in incorporating its analysis or information about ICS impacts. Thus, the Authority cannot now rely on these separate documents to make up for the FEIR's informational deficiencies.[127]

Inadequate investigation of baseline biological conditions: The Authority falsely claims that rare plant surveys complied with protocol and guidance documents – it did not conduct any Fall

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[120] *See* ROB 7:1-4, citing B000049, 124, 148-149.

[121] *See* B000175-176 [FEIR expressly omitted and deferred analysis of impacts along SR 152 route].

[122] ROB 11:16-18, fn. 19; *see also* B000173 [SR 152 wye would have high impacts]. Thus, another potential outcome of deferred analysis is the SR 152 alignment may have an increase in some impacts.

[123] *See* ROB 14:10-13; *see also* N000102 [description of CP1c], 128 [map of CP1].

[124] ROB 14:6-8.

[125] *See* ROB 13:10-16.

[126] *See* B007849, 7853-55 [Standard Responses General-7 and General-12].

[127] *Santiago*, *supra*, 118 Cal.App.3d at p. 831 ["whatever is required to be considered in an EIR must be in that formal report; what any official might have known from other writings or oral presentations cannot supply what is lacking in the report"].

surveys, contrary to protocol and the Authority's own 2010 survey plan.[128] The survey effort was not as thorough as claimed. The Authority does not explain why detailed surveys were not conducted on properties where access was granted, and ignores the admission that it did not conduct protocol-level surveys because of its drive to finish review quickly to maximize use of federal funding.[129]

Unanalyzed impacts of wildlife crossing structures: The Authority claims wildlife crossing structures were adequately described and analyzed in the FEIR, but it cites only to extra-FEIR evidence to support this argument.[130] The information provided to CDFG and FWS is certainly more detailed than that provided in the FEIR, but it was never summarized or even referenced in the FEIR. It cannot be used now to substitute for public disclosure in the FEIR of impacts from these structures.

Analysis of direct impacts do not address its secondary impacts: The Authority points to the FEIR's analysis of direct impacts and to documents not referenced in the FEIR as proof that the FEIR analyzed the secondary impacts from two forms of mitigation.[131] The Authority's sole reliance on irrelevant and unincorporated analysis is proof that the FEIR did not analyze the very real possibility that traffic and habitat restoration mitigation measures would result in separate impacts.

Extra-record, post hoc explanations concerning the cumulative impacts analysis: The reasons offered for the constrained geographic scope for cumulative impact analysis lack any supporting evidence in the Record.[132] The Authority claims that the traffic impact analysis considered impacts throughout Fresno, but the FEIR indicates it only considered building parts of the Section; there is no indication that it considered building any part of the F-B section.[133]

Impacts from the expanded Section footprint were not analyzed: The Record contains no evidence supporting the claim that the impacts associated with the shoofly were described and analyzed.[134] This *post hoc* impact analysis is not permitted. The Authority also attempts to supplement the FEIR's impact analysis for the shoofly by referring to unreferenced extra-FEIR evidence.[135]

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[128] *See* ROB 27:14-21; *see also* POB 34:10-13, fns. 195, 196, 197; *see also* F026653, 27744,
[129] *See* I005897 [reasons for no protocol-level surveys: "Time constraints" and "ARRA Funding"].
[130] *See* ROB 41:1-8, citing I005179-5251, 5246 [excerpts from memorandum submitted to FWS and CDFG – an extra-FEIR document that was not incorporated into the FEIR by reference].
[131] ROB 33-34.
[132] ROB 22:4-7 [argument with no supporting evidence].
[133] ROB 24:1-2, fn. 33.
[134] ROB 41:11-12, 41:18-19 [claiming that, because the FEIR included a cursory new description of the shoofly, it must have analyzed the shoofly's impacts].
[135] *See* ROB 41, fns. 56, 57, 42:3-7.

Without an impact analysis, the Authority could not have determined, based on any substantial evidence, that recirculation was not triggered by this new project feature, as it now asserts.[136]

IV. The Exhaustion Requirement is Satisfied as to Each Challenged Claim

Petitioners satisfied the exhaustion requirements as to all six issues identified by the Authority as not being adequately raised at the administrative level.[137] The argument that these issues are barred because no one raised these "exact" issues during the administrative process for the Section is based on crucial misstatements of applicable CEQA exhaustion law.

The Authority mischaracterizes the holding in the single case upon which it relies in asserting that a CEQA petitioner must raise the "exact issue" that it later raises in litigation.[138] In *RDF*, the "exact issue" was the general question of whether recirculation of an EIR was reqiured. The *RDF* Court held that because the "failure to recirculate the EIR" was not raised during the administrative process "plaintiffs could not now raise the issue for the first time in litigation." The term "exact issue" as used in *RDF* is therefore far less exacting than the Authority suggests.[139] This attempt to hold Petitioners to an incredibly narrow exhaustion standard is another invitation to error. Under the correct exhaustion standard, commenters provided fair notice as to all six claims:

- Project description should have identified ICS to accurately analyze construction impacts;[140]
- Project description was unstable between the DEIR and FEIR;[141]
- The Authority piecemealed review by not treating the ICS as the CEQA project;[142]
- Failure to explain basis for selected geographic scope for cumulative impacts analysis;[143]

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[136] ROB 41:11-12, 41:19.

[137] ROB 5:9-12, 12:11-15, 13:28-30, 16:20-22, 18 (fn. 28), 21:6-8, 36:3-8, 39:7-9, 41:9-11, 42:1-12. The Authority asserts, without any supporting legal authority, that Petitioners are required to "show" they have exhausted their administrative remedies. Sueh an affirmative showing is not required.

[138] ROB 5:9-11, citing *Resource Defense Fund v. Local Agency Formation Comm.* (1987) 191 Cal.App.3d 886 (*RDF*).

[139] *See Save Our Residential Environment v. City of West Hollywood* (1992) 9 Cal.App.4th 1745; *see also Raptor*, *supra*, 27 Cal.App.4th at p. 735, fn. 10; *see also California Native Plant Soc. v. City of Rancho Cordova* (2009) 172 Cal.App.4th 603, 616.

[140] Information regarding the ICS was added to the FEIR, thus there was limited opportunity to specifically raise this issue. *See* B000252-53. Comments regarding the need to analyze the impacts of the actual construction plan sufficiently raised this issue. *See*, *e.g.*, B009316 [comment #668-13], 8631-32 [comment #131-2], 8127-28 [comments #703-10 – 703-12]; *see also* H000561.

[141] *See*, *e.g.*, B010710 [comments #965-2 – 965-3], H000976, 980-981 [UPRR comments criticizing lack of analysis of shoofly and other freight railroad interferenee issues and requesting recirculation], 582 [comment stating recirculation required due to impacts caused by changed design].

[142] *See* fn. 140, *supra*, regarding limited opportunity to raise ICS issues. To the extent commenters were able to raise this issue, they did. *See*, *e.g.*, B009316 [comment #668-13 questioning whether the project was really coterminous with each section], 8631-32 [comment #131-2 re need to analyze ICS].

- Failure to respond to specific points made in DEIR comments;[143] and
- Failure to recirculate due to new sound, visual, and historic resources impacts.[145]

Further, several of the issues relate to information first presented in the FEIR just days before the final meetings on the Section.[146] The exhaustion doctrine does not apply at all, or at least should not apply in narrow manner the Authority urges, to issues presented for the first time in the FEIR.

V. Conclusion: CEQA Provides Discretion for the Court to Fashion Calibrated Remedies, But Not to Excuse Fundamental Violations of Law

In defending the FEIR, the Authority has taken inconsistent positions, mischaracterized facts and has even made up new analysis. But it cannot escape critical facts in the Record that establish fundamental violations of CEQA. As stated in this Reply, the FEIR: (1) improperly tiered off of decertified PEIRs; (2) piecemealed analysis of the "whole project"; (3) does not describe the project with details sufficient for project-level impact analysis; (4) includes a cumulative impacts analysis that ignores contributing local and regional impacts from three neighboring HSR Project sections; (5) dismisses, without any supporting analysis, the secondary impacts from multiple mitigation measures; and (6) includes significant new information, but was not recirculated. (Petitioners address numerous other violations in Petitioners' Opening Brief.)

Petitioners note that, while a reviewing court does not have discretion to turn a blind eye to the types of core CEQA violations identified above, it does have discretion to fashion an appropriate writ. These considerations would be addressed in the remedy phase. Petitioners respectfully request that the Court grant the Petition for Writ of Mandate.

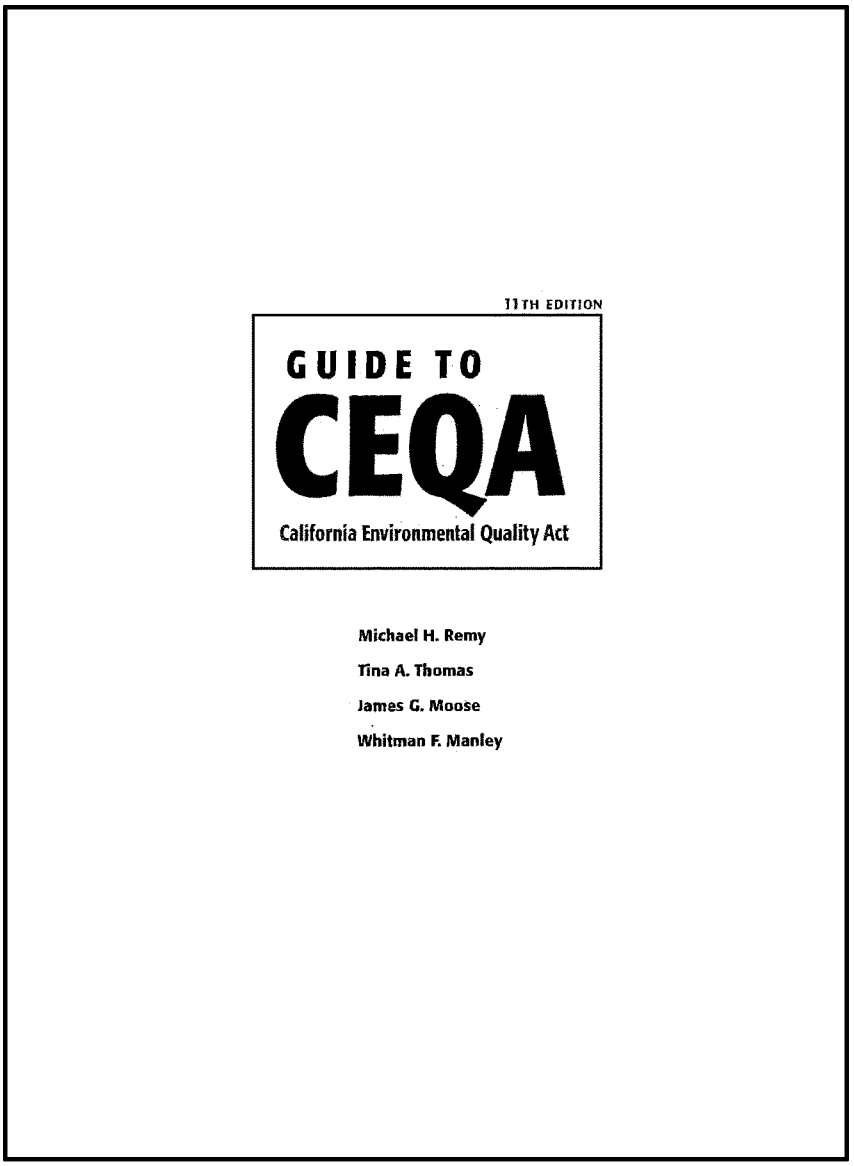
Dated: March 29, 2013

FITZGERALD ABBOTT & BEARDSLEY LLP

By _____
Jason Holder
Attorneys for Petitioners/Plaintiffs: County of Madera, Madera County Farm Bureau, Merced County Farm Bureau, Preserve Our Heritage, Chowchilla Water District, and Fagundes Parties

[142] *See, e.g.*, H000561 [follow-up comment regarding deficient response to comment #717-19 quoting requirement that lead agencies "provide a reasonable explanation for the geographic limitation used"].
[144] *See, e.g.*, H000643-645 [criticizing general responses to county's comments], 571 [criticizing deferred mitigation], 572-573 [criticizing the Authority's failure to respond to suggestions for further mitigation of impact to agricultural lands].
[145] *See* fn. 141, *supra*, regarding unstable project description, same comments also requested recirculation; *see also, e.g.*, B008186, 8253, 8643, 8655.
[146] B013302 [Notice of Availability of FEIR, showing FEIR release date of April 20, 2012].

EXHIBIT A


11TH EDITION
GUIDE TO
CEQA
California Environmental Quality Act
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176 Cal. App. 3d 421, 431–432 [222 Cal. Rptr. 247] (*Citizens to Preserve the Ojai*) (citing *Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal. 3d 247, 259 [104 Cal. Rptr. 761]). In *Citizens to Preserve the Ojai*, the court explained:

> "It is vitally important that an EIR avoid minimizing the cumulative impacts. Rather, it must reflect a conscientious effort to provide public agencies and the general public with adequate and relevant detailed information about them." [Citation.] A cumulative impact analysis which understates information concerning the severity and significance of cumulative impacts impedes meaningful public discussion and skews the decisionmaker's perspective concerning the environmental consequences of a project, the necessity for mitigation measures, and the appropriateness of project approval. [Citation.] An inadequate cumulative impact analysis does not demonstrate to an apprehensive citizenry that the governmental decisionmaker has in fact fully analyzed and considered the environmental consequences of its actions.

176 Cal. App. 3d at p. 431 (quoting *San Franciscans for Reasonable Growth v. City and County of San Francisco* (1st Dist. 1984) 151 Cal. App. 3d 61, 79 [198 Cal. Rptr. 634] (*SFRG I*))

iii. Timing of Cumulative Analysis. Unless cumulative impacts are analyzed, agencies tend to commit resources to a course of action before understanding its long-term impacts. Thus, a proper cumulative impacts analysis must be prepared "before a project gains irreversible momentum." *City of Antioch v. City Council of the City of Pittsburg* (1st Dist. 1986) 187 Cal. App. 3d 1325, 1333 [232 Cal. Rptr. 507] (citing *Bozung v. Local Agency Formation Commission* (1975) 13 Cal. 3d 263, 282 [118 Cal. Rptr. 249]). The fact that certain projects' cumulative impacts are uncertain does not relieve the lead agency from including such impacts in its analysis. The discussion should be as specific as possible, but as general as necessary. *Terminal Plaza Corp. v. City and County of San Francisco* (1st Dist. 1986) 177 Cal. App. 3d 892, 904–905 [223 Cal. Rptr. 379] (*Terminal Plaza Corp.*).

A proper cumulative impacts analysis must be prepared before a project gains irreversible momentum.

One court has described as follows the danger of approving projects without first preparing adequate cumulative impact analyses:

> The purpose of this requirement is obvious: consideration of the effects of a project or projects as if no others existed would encourage the piecemeal approval of several projects that, taken together, could overwhelm the natural environment and disastrously overburden the man-made infrastructure and vital community services. This would effectively defeat CEQA's mandate to review the actual effect of the projects upon the environment.

Las Virgenes Homeowners Federation, Inc. v. County of Los Angeles (2d Dist. 1986) 177 Cal. App. 3d 300, 306 [223 Cal. Rptr. 18][63]

iv. Two-step Analysis of Cumulative Impacts. The need for cumulative impact assessment reflects the fact that, although a project may cause an "individually limited" or "individually minor" incremental impact that, by itself, is not significant, the increment may be "cumulatively considerable," and thus significant, when viewed together with environmental changes anticipated from past, present, and probable future projects. CEQA Guidelines, §§ 15064, subd. (h)(1) (formerly subd. (i)(1)),[64] 15065, subd. (a)(3), 15355, subd. (b).

In grappling with these issues, a lead agency should generally undertake a two-step analysis. *See* this chapter, section B.2.1.v, *infra*, for further detail on the two-step process of cumulative impacts assessment. The first question is whether the combined effects from both the proposed project and other projects would be cumulatively significant. If the agency answers this inquiry in the affirmative, the second question is whether "the proposed project's *incremental* effects are cumulatively considerable." *Communities for a Better Environment v. California Resources Agency* (3d Dist. 2002) 103 Cal. App. 4th 98, 120 [126 Cal. Rptr. 2d 441] (*Communities for a Better Environment*) (italics added). Thus, agencies should not merely compare the incremental effect of a proposed project *against* the collective impacts of all other relevant projects, yielding the proposed project's "relative" impact vis-à-vis the impacts of the other projects. Rather, in making the first required inquiry, the lead agency must *add* the project's incremental impact to the anticipated impacts of other projects. *Communities for a Better Environment, supra*, 103 Cal. App. 4th at pp. 117–121.

For example, the lead agency for Project A must evaluate whether that project, in combination with Projects B, C, and D, would create a significant cumulative effect. If so, then the next step is to consider whether Project A's "incremental" contribution to that combined significant cumulative impact would be "cumulatively considerable." The agency should not merely compare the impacts of Project A against those of Projects B, C, and D. The required two-step approach is evident from CEQA Guidelines section 15064, subdivision (h)(1) (formerly subdivision (i)(1)),[65] which states that "[w]hen assessing whether a cumulative effect requires an EIR, the lead agency shall consider whether the cumulative impact is significant and whether the effects of the project are cumulatively considerable." A negative statement of this same two-step principle is evident from CEQA Guidelines section 15130, subdivision (a)(2), which provides that "[w]hen the combined cumulative impact associated with the project's incremental effect and the effects of other projects is not significant, the EIR shall briefly indicate why the cumulative impact is not significant and is not discussed in further detail in the EIR."[66]

It is possible that the cumulative impact of multiple projects will be significant, but that the incremental contribution to that impact from a particular project may not itself be cumulatively considerable.

It is possible that the "cumulative impact" of multiple projects (A, B, C, and D, continuing the example set forth above) will be significant, but that the incremental contribution to that impact from a particular project (*e.g.*, Project A) may not itself be "cumulatively considerable." Thus, CEQA Guidelines section 15064, subdivision (h)(4) (formerly (i)(5)),[67] states that "[t]he mere existence of significant cumulative impacts caused by other projects alone shall not constitute substantial evidence that the proposed project's incremental effects are cumulatively considerable." Thus, it is not necessarily true that, even where cumulative impacts are significant, *any* level of incremental contribution must be deemed cumulatively considerable. *Communities for a Better Environment, supra*, 103 Cal. App. 4th at p. 120.

Where a proposed project would add no incremental contribution whatever to a significant cumulative impact, the increment cannot be cumulatively considerable.

Moreover, where a proposed project would add no incremental contribution whatever to a significant cumulative impact, the increment cannot be cumulatively considerable. CEQA Guidelines, § 15130, subd. (a)(1) ("[a]n EIR should not discuss impacts which do not result in part from the project evaluated in the EIR"); *Santa Monica Chamber of Commerce v. City of Santa Monica* (2d Dist. 2002) 101 Cal. App. 4th 786, 799 [124 Cal. Rptr. 2d 731] (*Santa Monica Chamber of Commerce*) ("[j]ust as zero when added to any other sum results in no change to the final

could be better mitigated. We have neither the resources nor the scientific expertise to engage in such analysis, even if the statutorily prescribed standard of review permitted us to do so.

Laurel Heights Improvement Association v. Regents of the University of California (1988) 47 Cal. 3d 376, 393 [253 Cal. Rptr. 426].[38]

Thus, "[t]he court does not pass upon the correctness of the EIR's environmental conclusions, but only upon its sufficiency as an informative document." *Id.* at p. 392 (quoting *County of Inyo v. City of Los Angeles* (3d Dist. 1977) 71 Cal. App. 3d 185, 199 [139 Cal. Rptr. 396]).[39]

In a CEQA lawsuit, as in any other similar proceeding, agency actions are presumed to comply with applicable law, until proof is presented to the contrary.

In a CEQA lawsuit, as in any other similar proceeding, agency actions are presumed to comply with applicable law, until proof is presented to the contrary. Evid. Code, § 664; *Foster v. Civil Service Commission of Los Angeles County* (2d Dist. 1983) 142 Cal. App. 3d 444, 453 [190 Cal. Rptr. 893].[40]

Courts owe no deference to agencies, however, where the law has been misapplied. "An agency's use of an erroneous legal standard constitutes a failure to proceed in a manner required by law. [Citation.] The interpretation and applicability of a statute is a question of law requiring an independent determination by the reviewing court." *East Peninsula Education Council, Inc. v. Palos Verdes Peninsula Unified School District* (2d Dist. 1989) 210 Cal. App. 3d 155, 165 [258 Cal. Rptr. 147].[41]

3. What Constitutes a "Prejudicial Abuse of Discretion"?

As of early 2005, the Court of Appeal districts were not unanimous with respect to how they generally defined what constitutes a prejudicial abuse of discretion under CEQA.

As of early 2005, the Court of Appeal districts were not unanimous with respect to how they generally defined what constitutes a prejudicial abuse of discretion under CEQA. In particular, the Fourth, Second, and Fifth Districts articulated their views somewhat differently, with the view of the Fourth and Second being somewhat more deferential to respondent public agencies than the Fifth.

According to the Fourth District, when a petitioner alleges that an EIR fails to include sufficient information on a particular issue, the reviewing court should generally treat such an argument as a claim that the EIR is not supported by substantial evidence, rather than as a claim that the agency failed to proceed in the manner required by law. This manner of framing the question tends to emphasize judicial deference and thus favor respondent agencies.

In *Barthelemy v. Chino Basin Municipal Water District* (4th Dist. 1995) 38 Cal. App. 4th 1609, 1617 [45 Cal. Rptr. 2d 688] (*Barthelemy*), the petitioner challenged the adequacy of an EIR for a facility that would create compost from sludge and cow manure, arguing that the document did not include certain key information. More specifically, the petitioners "argue[d] that 'improperly excluding relevant information' is a failure to proceed in the manner provided by law, which cannot be excused on the theory that 'the decision of the agency is nevertheless supported by the material which it has chosen to selectively include in its own record.' [The petitioners] conclude that a de novo standard of review applies." *Id.* at p. 1616.

The Court of Appeal disagreed:

> Determinations in an EIR must be upheld if they are supported by substantial evidence; the mere presence of conflicting evidence in the administrative record

PROOF OF SERVICE - C.C.P. §§1011 - 1013a

I, the undersigned, declare: I am employed in the County of Alameda, State of California. I am over the age of 18 and not a party to the within action. I am employed by Fitzgerald Abbott & Beardsley LLP, located at 1221 Broadway, 21st Floor, Oakland, CA 94612. I am readily familiar with this firm's business practice of processing of documents for service.

On **March 29, 2013**, I served a true and correct copy of the following document(s):

PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

on all the following interested parties, by causing service by the method indicated below:

Kamala D. Harris **Daniel L. Siegel** **James W. Andrew** **Danae J. Aitchison** **Jessica E. Tucker-Mohl** **Office of the California Attorney General** **1300 I Street, 15th Floor** **Sacramento, California 95814** **Telephone: 916-323-1722** **Facsimile: 916-327-2319** **Email: James.Andrew@doj.ca.gov;** **Danae.Aitchison@doj.ca.gov;** **Jessica.TuckerMohl@doj.ca.gov** ***Attorney for Respondent / Defendant California High Speed Rail Authority***	**James G. Moose** **Sabrina V. Teller** **Remy Moose Manley, LLP** **455 Capitol Mall, Suite 210** **Sacramento, California 95814** **Telephone: 916-443-2745** **Facsimile: 916-443-9017** **Email: jmoose@rmmenvirolaw.com;** **steller@rmmenvirolaw.com** ***Attorney for Respondent / Defendant California High Speed Rail Authority***

	U.S. Mail - By placing a copy of said document(s) in a sealed envelope with postage thereon fully prepaid, and depositing said envelope with the U.S. Postal Service, following this firm's business practices.
X	Overnight Delivery - By placing a copy of said document(s) in a sealed pre-paid overnight envelope or package and depositing said envelope or package today in a box or other facility regularly maintained by the express service carrier, following this firm's business practices.
	Personal Service - By personally delivering said documents(s) in an envelope or package clearly labeled to identify the attorney/party located at the office(s) of the addressee(s) stated above.
	Facsimile - By placing a true copy thereof into a facsimile machine to the fax number stated above, as agreed upon, in writing, by the parties.

X	Electronic Service - By electronically sending a copy of said document(s) to the attorney or party as stated above and as agreed upon, in writing, by the parties.

I declare under the penalty of perjury under laws of the State of California that the foregoing is true and correct. Executed on **March 29, 2013**, at Oakland, California.

Alleen N. Hodgkin

Footnote 4: Fresno to Bakersfield DEIR/EIS Comment Letter by Merced and Madera Farm Bureaus, 2013

October 19, 2012

VIA EMAIL AND MAIL

Fresno_Bakersfield@hsr.ca.gov

California High Speed Rail Authority
770 L Street, STE 800
Sacramento, CA 95814

RE: Fresno to Bakersfield Revised Draft EIR/Supplemental Draft EIS Comment

Dear CHSRA Staff:

The Madera County Farm Bureau and the Merced County Farm Bureau are writing to offer comments concerning the environmental impact analysis contained in the Revised Draft Environmental Impact Report/Draft Supplemental Environmental Impact Statement (RDEIR). As explained more fully below, the RDEIR prepared for the Fresno to Bakersfield Section (Section) does not comply with the requirements of CEQA. Therefore, the California High-Speed Rail Authority (Authority) may not approve a preferred alternative for the Section until an adequate RDEIR is prepared and circulated for public review and comment.

The 800±mile HST project is comprised of nine sections, each evaluated separately at the project-level. While each of these sections, considered in isolation from the rest, might result in some impacts that can be reduced to less-than-significant levels after considerable avoidance and mitigation efforts, the HST sections will each unavoidably tax the state's limited air, water, agricultural land, and biological resources to a potentially significant cumulative extent. The final toll taken by this ambitious and immense Project on California's environment, public health, natural resources, and economic base may not be known for several years or longer, but currently available and substantial evidence shows that the effects will be severe.

Under these unprecedented circumstances, it is even more imperative that this environmental document identify and analyze all of the Section's impacts with the utmost degree of accuracy, care and detail. It is equally, if not more, imperative that any and all reasonable alternatives that are less environmentally damaging be presented and discussed as thoroughly as possible, together with any and all feasible mitigation measures. **In addition, given the rapidly escalating costs for the Initial Construction Segment (ICS), of which this Section is but a part, the Authority must provide evidence that it has the financial resources to relocate and modify existing infrastructure, purchase right-of-way (ROW) properties, construct the track and stations, and pay for agricultural, biological resource and air quality mitigation (among others).** The strictures of CEQA and the maxims of sound public policy and informed environmental planning require nothing less. Based on these concerns, the Madera and

Merced County Farm Bureaus have a strong interest in ensuring that this Section of the Project complies with all applicable federal, state and local laws and regulations.

With that said, we must conclude with disappointment that this RDEIR, like the EIR prepared for the Merced to Fresno section of the HST project, despite its voluminous length and complexity and attempt at recirculation, is so rife with omissions, incomplete analyses, and obsolete information that it simply does not even come close to complying with CEQA's rigorous environmental review and mitigation standards.[1] As these comments will demonstrate, the RDEIR is fatally deficient and must be substantially revised and recirculated for further public review and comment before it may be finalized.[2]

The RDEIR does not describe all of the characteristics of the alternatives for the Section. Moreover, as explained at length below, the Section will generate a multitude of impacts in a number of impact areas, including: agriculture, air quality, public health, socioeconomics and community facilities, water supply, water quality, biological resources, and cultural resources – yet the RDEIR does not fully disclose these significant impacts. The Section will also cause cumulatively considerable impacts in each of these resource areas – but these cumulative impacts have also not been acknowledged. In short, the RDEIR mischaracterizes, underestimates, or otherwise fails to identify many of thethe Section's direct, indirect and cumulative impacts. At the same time, many of the mitigation measures described in the RDEIR will not, in fact, mitigate impacts to the extent claimed and in some instances will generate additional impacts that are not evaluated. Finally, the RDEIR impermissibly truncates the scope of alternatives discussed, and consequently fails to consider reasonable feasible alternative approaches to the Section's footprint that would altogether avoid several of the Section's most serious impacts.

The Authority seems to have taken a cursory approach to impact analysis and mitigation formulation because the scope and size of the Section's footprint and effects are so large. But this is precisely when a detailed and painstaking analysis is most necessary.

Below, after a brief summary of applicable legal requirements governing EIR preparation, we present our general comments that address analytical flaws that pervade the RDEIR.

I. THE RDEIR FAILS TO SATISFY CEQA'S PURPOSE AND GOALS

CEQA has two basic purposes, neither of which the RDEIR satisfies. First, CEQA is designed to inform decision makers and the public about the potential, significant environmental effects of a project.[3] The EIR is the "heart" of this requirement.[4] The EIR has been described as "an environmental 'alarm bell'

[1] The Madera and Merced County Farm Bureaus, along with several other petitioners, have filed a lawsuit challenging the EIR prepared for the Merced to Fresno section of the Project. The DEIR for this section suffers from many of the same flaws identified in a brief recently filed in that lawsuit. *See* Attachment 1, Memorandum of Points and Authorities In Support of Petitioners' Motion for Preliminary Injunction/Alternative Application for Administrative Stay (PI Motion Opening Brief), pp. 8-25 [arguments concerning CEQA violations with respect to Merced to Fresno DEIR]; *see also* CD containing exhibits referenced in PI Motion Opening Brief, submitted separately by our counsel via overnight mail on October 18, 2012.

[3] CEQA Guidelines § 15002(a)(l)

[4] No Oil, Inc. v. City of Los Angeles (1974) 13 Cal.3d 68, 84

whose purpose it is to alert the public and its responsible officials to environmental changes before they have reached ecological points of no return."[5] The courts have repeatedly emphasized the importance of the public's role in the CEQA process –such participation supplies both vitality and legitimacy to the environmental review process. [6] An EIR must "include detail sufficient to enable those who did not participate in its preparation to understand and to consider meaningfully the issues raised by the proposed project."

Second, CEQA directs public agencies to avoid or reduce environmental damage when possible by requiring feasible alternatives or mitigation measures. [7] "The EIR must set forth mitigation measures that the decision makers can adopt at the findings stage of the planning process."[8] The mitigation requirement in CEQA has teeth, unlike the more "considerational" mitigation provisions of NEPA. [9] Under CEQA, a lead agency must mitigate a project's significant impacts to the maximum extent feasible. The requirement to consider a reasonable range of alternatives to the Project is similar under both CEQA and NEPA. [10]

The RDEIR for the proposed Project fails to comply with these basic requirements. First, the lack of complete, concise, clear, accurate and consistent information in the RDEIR precludes an informed comparison of the alternatives for this Section and an analysis of the Proposed Action. The 1,600+page RDEIR is supported by thousands of pages of technical appendices and supposedly relies on or at least tiers off of thousands of pages of first-tier environmental review in two programmatic review documents. But the document does not reference these materials with enough precision to enable the reader to find the information and analysis that is relied upon or that provides context for this analysis. Instead, the reader must attempt to ferret out this information. The lengthy analysis is far from concise or clear. Second, the Authority failed to take a hard look at all of the Section's impacts. The RDEIR does not even describe all of the Section's features, and it presents a generalized analysis of many potentially significant impacts and conclusory statements concerning the effectiveness of vague mitigation measures. Third, **the Authority impermissibly limited its alternatives analysis by failing to consider design modifications to each alternative alignment and other alignment options that could substantially reduce impacts.**

For these reasons, and as further explained below, the RDEIR precludes a meaningful analysis of the Section's impacts and the means devised to avoid or reduce them. The Authority must therefore revise the RDEIR and recirculate the revised RDEIR for public review and comment before making a decision concerning the Section or the HST project as a whole.

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[5] County of Inyo v. Yorty (1973) 32 Cal.App.3d 795

[6] See, e.g., Laurel Heights Improvement Assn. v. Regents of the Univ. ofCal. (1988) 47 Cal.3d 376, 392 (Laurel Heights I).

[7] Pub. Resources Code, § 21002; see also CEQA Guidelines § 15002(a)(2)-(3); see also Citizens of Goleta Valley v. Board of Supervisors (1990) 52 Cal.3d 553, 564; see also Laurel Heights I, supra, 47 Cal.3d at p. 400.)

[8] Remy, et al., Remy, et al., Guide to the California Environmental Quality Act (Solano Press, II th ed., 2006) (Guide to CEQA), p. 503.

[9] See id. at p. 38

[10] See id. at p. 39

II. GENERAL COMMENTS

A. The RDEIR Does Not Adequately Tier Off of or Incorporate by Reference the Analysis of Two First-Tier Environmental Review Documents.

The RDEIR supposedly relies upon or at least tiers off of the analyses of two first-tier environmental review documents.[11] The RDEIR does not clearly explain, however, how the PEIR/S for the Bay Area sections of the HST updated the analysis from the 2005 Programmatic EIR/S for the entire HST system, nor does the RDEIR consistently or clearly explain how its analysis relies upon or derives context from either of these two previously prepared documents. With thousands of pages of background analysis to sift through, and thousands of pages of project-level analysis and technical reports to review, the public is left to wonder how this document fits into the overall analytical structure of this complicated and muddled tiering scheme.[12]

This attempt at tiering and incorporation by reference fails to satisfy CEQA's requirements. "When an EIR uses tiering or incorporation, it must give the reader a better road map to the information it intends to convey."[13] The data in an EIR must not only be sufficient in quantity, it must be presented in a manner calculated to adequately inform the public and decision makers, who may not be previously familiar with the details of the project. "Information 'scattered here and there in EIR appendices,' or a report 'buried in an appendix, 'is not a substitute for 'a good faith reasoned analysis.[14]

The RDEIR does not provide the required summary of issues discussed in the two broader first-tier EIRs, nor does it adequately incorporate by reference the discussions from these EIRs. The RDEIR does not explain the limited level of analysis conducted at the programmatic level, nor does it describe the assumptions that the preparers of the PEIRs relied upon, that have turned out not to be accurate (such as the assumption that the Project right-of-way (ROW) could potentially share freight railroad ROW and that it could potentially be reduced to a 50-foot-wide ROW). The RDEIR also does not acknowledge that the PEIRs did not analyze and instead deferred detailed environmental review for many impacts, including severance impacts to agriculture, to the project level.

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[11] *See* DEIR, pp. 1-1, 1-3, 1-28, 1-30; *see also* Endangered Habitats League, Inc. v. State Water Resources Control Bd. (1997) 63 Cal.App.4th 227, 236; see also In re Bay-Delta Etc., 43 Cal.4th at p. 1173 ["Future environmental documents may incorporate by reference general discussions from the broader EIR, but a separate EIR is required for later projects that may cause significant environmental effects inadequately addressed in the earlier [EIR]"], citing Guidelines, § 15152(a) & (f).

[12] The reviewer's task is made much more difficult because the links to the Statewide Program EIRJS are not named with an informative description of the document. See, e.g., websites for Volumes 1-3 ofthe Statewide Program EIRJS, available at: http://www.cahighspeedrail.ca.gov/final_pgrm_eireisrep01i_voll.aspx, http://www.cahighspeedrail.ca.gov/finalprgm_eireisreport_vol2.aspx,and http://www.cahighspeedrail.ca.gov/finalprgm_eireisreport_vol3.aspx, respectively. The reader must open each link in order to determine what portion of the analysis the link contains

[13] Vineyard Area Citizens, supra, 40 Cal.4th at p. 443, citing CEQA Guidelines, § 15150, 15153.

[14] *Ibid.*

The RDEIR also fails to acknowledge that the Authority previously found the HST system as a whole would have significant and unavoidable impacts, requiring a Statement of Overriding Considerations[15] CEQA requires the Authority to squarely address the Project's contribution to these significant and unavoidable impacts.[16] By concluding that many construction-related impacts will be mitigated to less-than-significant levels and that impacts to biological resources would also be less than significant, without acknowledging and addressing the significant and unavoidable impacts associated with the HST system, the RDEIR obscures impacts rather than reveals them.

B. Piecemealed Environmental Review

The Section is part of the larger "Initial Construction Segment" (ICS) that will first be constructed using ARRA funds and Proposition 1A bond funds. The Authority should have prepared a single DEIR for the ICS, rather than splitting the analysis of ICS impacts into two EIRs. In splitting the analysis, the Authority failed to disclose the true scope and severity of the impacts to the entire central and lower San Joaquin Valley region, in violation of CEQA.

The RDEIR also failed to analyze the use of the ICS for testing high-speed trains, and the possible interim use of the ICS for Amtrak service. These are also forms of piecemealed environmental review.

C. Information in the RDEIR Concerning the Characteristics of the Proposed Action is Incomplete and Inaccurate.

"An accurate, stable and finite project description is the *sine qua non* of an informative and legally adequate EIR."[17] Without it, CEQA's objective of fostering public disclosure and informed environmental decision-making is stymied. One leading CEQA treatise succinctly describes the problems created by an inadequate project description:

> The adequacy of an EIR's project description is closely linked to the adequacy of the EIR's analysis of the project's environmental effects. If the description is inadequate because it fails to discuss the complete project, the environmental analysis will probably reflect the same mistake. [18]

The project description must be accurate and consistent throughout an EIR.[19] It is impossible for the public to make informed comments on a project of unknown or ever-changing proportions. "A curtailed

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[15] Compare DEIR, p. 6-3 with Statewide Program EIR/EIS, pp. 7-1 - 7-2.

[16] Communities for a Better Environment v. California Resources Agency (2002) 103 Cal.App.4th 98, 124-125 (CBE) ["Even though a prior EIR's analysis of environmental effects may be subject to being incorporated in a later EIR for a later, more specific project, the responsible public officials must still go on the record and explain specifically why they are approving the later project despite its significant unavoidable impacts"]; see also People v. County of Kern (1974) 39 Cal.App.3d 830, 842 [CEQA serves important function of ensuring that "the environmental and economic values of [the agency's] elected and appointed officials" are fully disclosed to the public].

[17] County of Inyo v. City of Los Angeles (1977)71 Cal.App.3d 185,193.

[18] Kostka and Zischke, Practice Under the California Environmental Quality Act, § 12.7, pp. 580-581 (Jan. 2011 update) (Practice Under CEQA).

[19] County of Inyo, 71 Cal.App.3d at 192

or distorted project description may stultify the objectives of the reporting process. Only through an accurate view of the project may affected outsiders and public decision-makers balance the proposal's benefit against its environmental costs ...."[20]

A project is "the whole of an action, which has a potential for resulting in a physical change in the environment, directly or ultimately" ...including, 'the activity which is being approved and which may be subject to several discretionary approvals by governmental agencies.,'. [21]

The importance of an accurate and complete description of the Project and its environmental impacts is especially critical here, given the immense scale of the Project. Construction of the 800±mile HST line and operation of HSTs along the line will dramatically impact every aspect of the ecosystem and human environments along the entire route and the areas surrounding the ROW.

The RDEIR also failed to accurately identify all Project characteristics, as required.[22] Project characteristics not sufficiently described and considered in the RDEIR include, but are not limited to:

- New or modified transmission lines and substations that will be necessary, in some areas that lack existing or sufficient electric infrastructure, to provide power to this Section of the HST system and associated new or modified access roads and spur roads;
- New or modified irrigation and drainage facilities along this Section of the HST system that would be necessary to accommodate the Project;
- New or modified bridges over streams and rivers necessary for HST line crossings;
- Modified freeway interchanges, ramps and approaches and modified frontage roads for the BNSF Alternative (and the other alternatives to the extent these modifications are required);
- Road closures that would be required for each alternative, and any modifications to existing roadways that would be required as a consequence of road closures;
- New or modified roadway overpasses along this Section of the HST system that would be necessary to accommodate the Project.

The RDEIR does not describe these major Section characteristics and many more minor characteristics in sufficient detail to enable an accurate project-level review of environmental impacts. The 15% level of design used as the basis for the RDEIR's impact analysis is insufficient for a project-level review.[23] The lack of detail also denies meaningful public participation and compromises responsible decision-making by public agencies. The Authority must revise the RDEIR to provide a reasonable, thorough, good faith

[20] id. at pp. 192-193.
[21] CEQA Guidelines § 15378(a), (c); see McQueen v. Board of Directors (1988) 202 Cal.App.3d 1136, I 143.
[22] See Practice Under CEQA, § 12.8, pp. 581-582.
[23] As stated in the PI Motion Opening Brief, the Authority's predecessor agency, the Intercity High Speed Rail Commission, stated that at least a 35% level of design would be necessary to complete environmental review.

and objective presentation of the Section's characteristics, the qualities of the affected environment, and the respective environmental consequences of each alternative.

The discussion concerning the construction plan for the Section is also inadequate. For example, the RDEIR does not disclose the locations of construction staging areas and concrete and asphalt batch plants. In addition, discussions concerning preconstruction activities fail to mention the preconstruction surveys for sensitive species that will be required pursuant to mitigation measures. As we've learned from the Merced to Fresno Section, a larger amount of preconstruction staging area acreage is also required; a fact that is entirely omitted from the Summary Report or in the Summary Analysis of total acres impacted.

Without an adequate and thorough project description that includes all components and characteristics of a proposed project, the lead agency cannot conduct an adequate analysis of project impacts, propose adequate mitigation measures or meaningfully evaluate project alternatives. For example, the Authority has not analyzed the impacts associated with additional components of the Section discussed above. Potentially significant impacts not identified or evaluated in the RDEIR include, but are not limited to, the following:

• Widespread Severance of Agricultural Parcels: The RDEIR includes a footnote regarding the method used for determining the project's total effect on agricultural land lost for production.[24] This method includes a broad assumption that neighboring land owners will purchase some (or most, the explanation is unclear) remnant agricultural parcels and that remnant land is therefore not subject to inclusion in the project's total agricultural footprint. Due to an inadequate project description, it is impossible to confirm this assumption or even for the reader to see which parcels weren't included in the project's overall footprint and why.

•Water Quality: Access roads and spur roads will likely be built along the transmission line routes and may be required along the portions of the Section that lie outside existing transportation corridors. These roads will impact natural drainage patterns. All HST alternatives will also impact natural drainage patterns, and while the RDEIR acknowledges this, it fails to specifically describe the "in-stream" and upland work required at and near water crossings and does not address other more minor modifications to existing drainage systems. The transmission line roads and HST alternative rights-of-way will cause unaddressed impacts to water quality.

The RDEIR must identify, evaluate and mitigate, where feasible, all of the potentially significant impacts associated with all Project features, including those identified above.

[24] *See* DEIR, p. 3.14-8.

C. The RDEIR Underestimates the Section's Direct and Indirect Impacts to Agricultural Lands.

1. The RDEIR Fails to Clearly Explain and Define Methodology for Evaluating the Project's Impacts to Agricultural Lands.

The RDEIR describes the methods used for evaluating the Project's impacts to agricultural lands. With respect to the calculation of permanent conversion of Important Farmlands to nonagricultural use, the RDEIR states:

> [T]he acreage for the project footprint for each alternative was quantified and identified as being permanently converted to HST use. In addition, analysts examined farmland severance on a parcel-by-parcel basis for each alternative to identify where severance would create two parcels, and result in remainder parcel(s) that would be too small or too physically constrained to be farmed economically. The quantity of the non-economic remainder parcels was then added to the footprint quantity to identify total Important Farmland converted to nonagricultural use for each alternative.[25]

This explanation and the accompanying footnote do not provide any information concerning the analysts' methods for determining which "remainder parcel(s) were too small to be farmed economically." Instead of clarifying this issue, a subsequent section that analyzes the Project's impacts resulting from permanent conversion and parcel severance further confounds it by using undefined and variable terms such as "large agricultural properties," "small remainder parcels," "usable and unusable remainders," "smallest property remainders," and "non-economic remnants." This section also fails to explain the criteria employed to determine whether a small remainder parcel would be "farmable" or be "too small to maintain economic activity." In fact, nowhere in Chapter 3.14 does the RDEIR explain how analysts arrived at which remainder parcels were "small remainder parcels," "too small to be farmed economically," or "unusable" and which remainder parcels were "large agricultural properties," "of sufficient size to maintain economic activity," "farmable" or "usable." The RDEIR must explain how the analysts approached this critical component of the evaluation of the Section's impacts to agricultural land. Specifically, the RDEIR must reveal the methods employed by analysts when determining which remainder parcels were noneconomic/unusable versus economic/usable. This explanation must describe all factors that played into the analysts' determination of usability versus un-usability. We recommend that the revised RDEIR identify the number of severed parcel remainders that are less than 40 acres in size and quantify the number of these parcels that could be farmed economically and those that could not. This explanation should also specifically describe the reasons for why a parcel remainder was determined to be farmable.

The failure to fully explain and define key facets of the methodology used by analysts to evaluate the Project's impacts on agricultural lands makes it is impossible for the public to evaluate whether conclusions in the RDEIR are supported by carefully reasoned analysis as required by CEQA. This is particularly important since the RDEIR concludes that each of the HST Alternatives "would have

[25] DEIR, p. 3.14-8.

negligible effects from severing large farm parcels because severance of these parcels would not result in permanent conversion of farmland to a nonagricultural use."[26] Without a clear definition of what constitutes a "large farm parcel," it is impossible to verify the evidentiary support for this conclusion. The RDEIR must therefore be revised to clearly explain the analysts' approach for determining the Segment's impacts to agricultural lands –least dire legal ramifications ensue should this impact go unanalyzed.

Finally, the analysis identifies a technical working group that is studying specific issues related to agriculture -- specifically, the Project's impacts to "confined animal facilities, agricultural equipment, induced wind, agricultural infrastructure, and irrigation systems."[27] **These impacts must be analyzed now, in the RDEIR**. By relying on some unidentified working group's analysis of these impacts, the Authority is impermissibly **deferring the impact analysis that it is required to conduct in this RDEIR**. In addition, by relying on a future study, the RDEIR is attempting to tier off of a future study, a procedure specifically rejected by the California Supreme Court in the *Vineyard* decision.

2. The Analysis Makes False, or at Least Unsupported Assumptions Regarding the Section's and Project's Affects on Agricultural Land Conversion

Unfortunately, as the RDEIR points out, there has been a long trend in the San Joaquin Valley of agricultural land conversion.[28] The Madera and Merced Farm Bureaus, as well as other farm bureaus and organizations, have worked tirelessly for years to prevent this phenomenon. In recent years, in part due to our efforts and also due to the severe recession and housing market bust, the trend has slowed and in many areas of the valley has completely stopped (see Attachment A, *Central Valley Farmland Trust Presentation*). There is mounting evidence that the Section and the Project as a whole could exacerbate the problem of farmland conversion. In addition, as we've learned from the Merced to Fresno Section, the DEIR for that Section specifically eliminated an alignment alternative, A-3, from consideration because the alignment was growth inducing. [29]

The RDEIR asserts, without any evidentiary support, that the Section would slow farmland conversion that would otherwise occur to accommodate future population growth. This unsupported statement relies on false or at least questionable assumptions. First, SB 375 and other laws recently enacted may already lead to reduced land conversion. Second, the RDEIR does not provide any

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[26] We note that the DEIR does not identify the division between large and small farm parcels and that this conclusion is conspicuously silent with respect to the effects from severing small farm parcels.

[27] DEIR, p. 3.14-9.

[28] See Attachment A, American Farmland Trust, Presentation to California Department of Food and Agriculture 2012

[29] Merced to Fresno DEIR, August 2011, p.2-20 ["...Those alternatives that were not carried forward had greater direct and indirect environmental impacts and potential to cause undesirable growth patterns over those alternatives that closely follow existing transportation corridors. In the preliminary Alternatives Analysis, Western Madera (A3) and UPRR/BNSF Hybrid (A4) alternatives were removed from further consideration because they departed from existing transportation corridors, thereby causing new transportation corridors among highly productive agricultural lands. Doing so would have the potential to reduce the viability of surrounding farmlands, giving way to other uses such as other transportation and utility infrastructure that could result in unwanted and unplanned growth patterns."].

assurances that the Section or the Project would limit future growth to areas around planned stations. It is quite conceivable, and even likely, that the Project and Section could encourage growth around stations and in rural areas surrounding cities. In fact, due to the Section's noise, aesthetic and other impacts, the Section may actually prompt accelerated growth in areas distant from any approved alignment.

3. The Analysis Underestimates the Section's Impacts from So-Called Temporary Use of Agricultural Land and Temporary Utility and Infrastructure Interruption.

The RDEIR concludes, without evidentiary support, that temporary use of agricultural lands during the prolonged construction period would not result in any significant impacts to these lands. The conclusion relies on the assumption that these lands would be "restored to as close to its pre-construction condition as possible."[30] This assumption is problematic for a few reasons. First, restoration 'as close as possible' is not the same as full restoration - in fact, it's a meaningless standard. What if restoration is not possible at all, is the Authority off the hook? Second, this is an unsupported assumption, it's not a requirement. To have teeth, this assumption should be turned into a mitigation requirement that includes performance standards.

The perfunctory analysis regarding the impacts to utility and infrastructure interruption during construction is completely inadequate. The RDEIR assumes away the potential widespread impacts by stating they will be resolved during the appraisal process.[31] These disruptions may result in the long-term reductions in the productivity of agricultural lands. As such, they must be analyzed in the RDEIR and the significant impacts must be mitigated.

4. Inadequate and Incomplete Discussion of Feasible Mitigation Measures

As previously discussed with respect to the inadequate measures proposed to mitigate the impacts to traffic, air quality and biological resources, CEQA mandates that an EIR contain feasible mitigation measures that are capable of reducing the identified significant impacts to levels that are less-than-significant. Only under limited circumstances may an agency defer the formulation of mitigation measures, and even then, the agency must commit to mitigating the impacts using specific performance standards. In this case, the RDEIR' discussion of mitigation measures to minimize impacts to agricultural lands is inadequate.

(a) Measure Requiring Preservation of Agricultural Land is Inadequate

Ag-MM#1 requires that agricultural conservation easements be established in the "same agricultural regions as the impacts occur." The phrase "agricultural regions," however, is not defined. "Agricultural regions" could refer to agricultural lands in the immediate vicinity of the agricultural land impacted, or it could refer to agricultural lands within the counties of Merced, Madera, and Fresno, or it even could pertain to the entire Central Valley.

[30] DEIR, p. 3.14-41.
[31] DEIR, p. 3.14-43.

Clarification of the phrase "agricultural regions" is particularly important given the essential roles agriculture serves in the region that will be impacted by the Segment. The RDEIR acknowledges that the Central Valley is the state's largest agricultural area and that Merced, Madera, and Fresno counties are some of the most agriculturally productive counties. The RDEIR further acknowledges that conversions of Important Farmland in each of these counties is occurring despite policies to protect such lands. As it presently reads, it is impossible to determine whether Ag-MM#1 will sufficiently preserve local agricultural lands of similar quality and quantity of agricultural lands that would be converted by the Segment. Accordingly, this mitigation measure must be revised to define "agricultural regions" as areas near the selected alternative route with productive agricultural lands of similar quality to the lands impacted by the Segment.

(b) Program to Consolidate Non-Economic Remnants is Inadequate and Unenforceable.

The Authority has changed what was Ag-MM#2 into a so-called project design feature.[32] Please explain why this measure was changed in this way. We urge the Authority to restore this measure -- it must be an enforceable mitigation measure with performance standards and accountability.

This design feature, which is now unenforceable but is still supposedly required, calls for creation of a farmland consolidation program to sell non-economic remnant parcels to neighboring landowners for consolidation with adjacent property to foster continued agricultural use on remnant parcels. First, as discussed above with respect to the methodology for evaluating the Project's impacts on agricultural resources, the term "non-economic remnant parcels," among other terms used in the analysis, needs to be defined and described. Without such definition, the proposed reach, scope, and potential effectiveness of this consolidation program is ambiguous.

Furthermore, as previously noted with respect to many of the proposed biological resource mitigation measures, the program lacks performance standards. Implementing this measure could easily be determined to be infeasible with respect to many of the "non-economic remnant parcels." The RDEIR must include performance standards to ensure the consolidation program sufficiently promotes continued agricultural uses. In addition, the program should operate for more than just a mere S years after construction. Rather, it should operate until all remnant parcels currently in agricultural production are transferred to adjacent landowners or are otherwise confirmed to be productive agricultural lands.

D. The RDEIR Fails to Consider the Section's Cumulative Impacts to Agricultural Lands.

The chapter concerning the Section's cumulative impacts is silent with respect to the destruction of agricultural lands that will be caused by neighboring sections of the Project, including the Merced to Fresno section, the San Jose to Merced Section, and the Bakersfield to Palmdale Section. Cumulatively, the Project will result in widespread destruction of farmland, and will cause indirect impacts to parcels located even miles away from the Project's ultimate alignment. The Statewide PEIR

[32] *See* Resolution 12-20, May 3, 2012.

did not consider severance impacts to agriculture, and did not consider the impacts of widespread road closures. Because the analysis for this Section considers impacts to agricultural lands in isolation, it violates CEQA's requirement to analyze and mitigate a project's contribution to significant cumulative impacts.

E. Mitigation Described in the RDEIR Concerning the Characteristics of the Proposed Action is Incomplete, Inaccurate, and are Not Enforceable.

The RDEIR states in *Section 3.1.4 Legal Authority to Implement Offsite Mitigation* that "offsite" mitigation would occur on, "... property not owned by the Authority," and "would require working with the property owners involved." The Section goes on to say that this type of mitigation is outside the Authority's control and is not guaranteed to come to fruition.

A public agency may not rely on mitigation measures of uncertain efficacy or feasibility.[33] To the extent that the Section results in significant impacts, the Authority must ensure that feasible measures are defined and enforceable.[34] By the Authority's own admission, this mitigation strategy –which is the primary method the Authority will rely upon to reduce the significant impacts to agriculture – is dependent on variables outside the Authority's ability to control. The practice of securing offsite mitigation is an incredibly long and arduous one where multiple permitting agencies must signal their approval of lands to be purchased. The practical application of using theoretical mitigation is not accurate or legal.

In addition, mitigation measures proposed in the RDEIR are inadequate. For example:

> Mitigation Measure SO-5: Provide access modifications to affected farmlands. In cases where partial-property acquisitions result in division of agricultural parcels, the Authority will evaluate with property owner input the effectiveness of providing overcrossings or undercrossings of the HST track to allow continued use of agricultural lands and facilities. This would include the design of overcrossings or undercrossings to allow farm equipment passage. (Refer to Section 3.14, Agricultural Lands, for additional information.) This mitigation measure will be effective because it will maintain access to farmlands for farmers whose property is bisected.

This mitigation measure is inadequate because evaluating the effectiveness of overcrossings or undercrossings would not ensure that access to bisected farmlands is maintained. (I.e., the measure

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[33] See, e.g., Kings County Farm Bureau, 22 I Cai.App.3d at p. 727 [finding groundwater purchase agreement inadequate mitigation measure because no record evidence existed that replacement water was available]; see also Gray v. County of Madera (2008) 167 Cai.App.4th 1099, 1116 ["no substantial evidence [in EIR] that the mitigation measures are feasible or effective in remedying the potentially significant problem of decline in water levels of neighboring wells"].)

[34] See CEQA Guidelines, § 15126.4(a)(1)-(2); see also Endangered Habitats League v. County of Orange (2005) 131 Cai.App.4th 777, 793-794; see also Sacramento Old City Assn. v. City Council ofSacramento (1991) 229 Cal.App.3d I 011, I 028-1029 (SOCA); see also Federation of Hillside & Canyon Associations v. City of Los Angeles (2000) 83 Cal.App.4th 1252, 1262.

does not guarantee access would be maintained – after evaluating crossings, the Authority could determine that they would not be effective, or are otherwise not feasible, etc.)

Furthermore, **the rapidly escalating costs of building the ICS calls into question the financial feasibility of mitigation measures**, including the expensive measures required for agricultural, biological resources and air quality impacts. According to information located on the California High Speed Rail Authority's website, task orders associated with construction costs for relocating and modifying existing infrastructure within the 29-mile stretch covered under Construction Package 1 (CP1) is more than $1.5 Billion. This estimated cost; extrapolated to the entire 130-mile ICS is almost **$7 Billion**. **This amount already exceeds the $6 Billion the Authority has estimated for constructing the entire ICS, and it does not even include the costs associated with purchasing ROW properties, the costs of building the tracks and stations, and the costs of mitigation.**

Please provide evidence that the entire ICS can be built at the cost advertised in the Revised 2012 Business Plan and that all mitigation measures listed in the RDEIR can be accomplished within this budget. If the mitigation measures are not feasible, the Authority will need to go on the record that it is approving a Section that will have significant and unavoidable impacts to important resources. The Authority must be held accountable for any and all unmitigated destruction that may result from its decisions.

Finally, the RDEIR fails to require mitigation measures to address identified impacts. The RDEIR vaguely identifies mitigation measures that "may be applied to the project." The description of these measures does not provide enough detail to determine their requirements of efficacy. As discussed above, CEQA requires that the RDEIR include clearly defined and enforceable mitigation measures.[35] Vaguely identifying measures that may or may not be applied to the Section does not suffice.

III. THE ANALYSIS OF ALTERNATIVES IS INDADEQUA TE.

"[A]n EIR for any project subject to CEQA review must consider a reasonable range of alternatives to the project."[36] Among other requirements, CEQA requires an EIR to evaluate "alternatives that might eliminate or reduce the Project's adverse environmental effects."[37] Under some circumstances, a lead agency must evaluate alternative sites to the proposed project location. As a leading CEQA treatise explains:

> Where significant effects can be lessened or avoided by choosing another site, discussing such an option within an EIR provides information by which the approving agency can effectuate CEQA's substantive mandate to lessen or avoid significant impacts where feasible.[38]

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[35] See CEQA Guidelines, § 15126.4(a)(J)-(2).
[36] Citizens of Goleta Valley v. Bd. of Supervisors (1990) 52 Cal.3d 553, 566; see also CEQA Guidelines § 15126.6(a), (f).
[37] See Friends of the Eel River v. Sonoma County Water Agency (2003) 108 Cai.App.4th 859, 873.
[38] Remy, et al., Guide to CEQA, pp. 581-582.

The RDEIR fails to satisfy these fundamental CEQA requirements because it fails to consider alternative designs for each alternative that would reduce or avoid identified impacts and it fails to consider an alternative alignment on the western side of the San Joaquin Valley (along the I-5 corridor). The RDEIR must be revised to include (1) alternative designs for the 6 HST alternatives already evaluated and (2) a west valley alternative.

A. The Authority Must Consider an Alternative Design that Reduces Impacts to Agriculture.

The Authority must consider alternative designs that reduce impacts to agricultural activities. As discussed above, the Project will impact this area in a number of ways.

The Authority should consider an alternative design that avoids, or significantly minimizes, these impacts.

For example, the Authority should consider an elevated track for alignments that cross productive farmlands. Such a design would reduce the impacts caused by parcel severance and road closures.

B. The Authority Has Failed to Consider a Reasonable Western Valley Alternative to the Six HST Alignments.

The RDEIR must also be revised to more carefully consider an alternative alignment along the western side of the San Joaquin Valley, in the vicinity of Interstate 5 and the California Aqueduct.

An 1-5 Alternative alignment would be superior to the proposed HST alignments for a number of reasons, for example:

- the western side of the valley receives substantially less rainfall than the eastern side and also has less agriculturally productive soils, fewer wetlands and waterways and may have less abundant wildlife;
- the 1-5 corridor through the valley is removed from population centers and there is therefore much less existing infrastructure, community facilities and roadways that would be disturbed by the HST system;
- a western alignment would require less engineered grade separations, elevated track and other elaborate and expensive infrastructure;
- stations could be situated in areas near but not within population centers and could incorporate connections with efficient local shuttle and/or transit systems, thereby attracting significant ridership while avoiding impacts to the built environment and to people already living and working in urban areas;
- routing the HST alignment within or adjacent to the 1-5 corridor and including fewer strategically located stations would reduce the travel time between the major metropolitan areas, thereby improving the HST system's performance.

The brief explanation in the Alternatives chapter concerning the Authority's rejection of an I-5 Alternative is conclusory and lacks supporting evidence.

The Statewide EIR/S considered a west of SR 99 ("W99") alternative, but eliminated this alternative from further consideration for a number of reasons, including its distance from urban centers and its perceived increased environmental impacts.

There is little to no evidence in the record to support these conclusions, however. If properly designed and strategically located, and if linked to existing and/or improved transit service, HST stations located outside of downtown areas and population centers could still serve populations located throughout the San Joaquin Valley. Such an alternative would also provide similar reductions to vehicle miles traveled and associated reduced traffic and air emissions as the proposed HST alternatives. In addition, because the I-5 Alternative would be further west than the W99 alternative, and would follow an existing freeway right-of-way, its impacts to agriculture and natural resources would likely be less than the W99 alternative. Finally, an I-5 alignment that does not travel through population centers and across agriculturally productive rural areas would reduce many Section impacts, as compared to the HST alternatives analyzed in the RDEIR.

Under CEQA, the Authority has the burden of demonstrating that an I-5 Alternative is not feasible.[39] Because an I-5 Alternative appears to be feasible, would satisfy many of the project objectives and would likely result in fewer environmental impacts, the Authority must evaluate this alternative in a revised RDEIR.

[39] See Preservation Action Council v. City of San Jose (2006) 141 Cal.App.4th 1336, 1351-52 ["Since CEQA charges the agency, not the applicant, with the task of determining whether alternatives are feasible, the circumstances that led the applicant in the planning stage to select the project for which approval is sought and to reject alternatives cannot be determinative of their feasibility. The lead agency must independently participate, review, analyze and discuss the alternatives in good faith"], citing Kings County Farm Bureau, 221 Cal.App.3d 692, 736; see also Center for Biological Diversity v. County ofSan Bernardino (2010) 185 Cal.App.4th 866, 883 ["Even as to alternatives that are rejected, however, the 'EIR must explain why each suggested alternative either does not satisfy the goals of the proposed project, does not offer substantial environmental advantages[,] or cannot be accomplished."'], quoting Save Round Valley Alliance v. County of Inyo (2007) 157 Cal.App.4th 1437, 1457.

IV: CONCLUSION

The RDEIR must be revised to fully describe the project setting, the project alternatives, the impacts from the project, mitigation and a broader range of alternatives; and the revised RDEIR must be recirculated for public review and comment, as required by CEQA. We respectfully urge the Authority to do so prior to taking any action of any kind on this Section of the HST Project.

Please do not hesitate to call if you have any questions or require any further information in support of these comments.

Sincerely,

Tom Rogers
President, Madera County Farm Bureau

MADERA COUNTY FARM BUREAU

Jean Okuye
President, Merced County Farm Bureau

Merced County Farm Bureau

Footnote 6: CHSRA 2012 Business Plan
pp. 3-5

[Editor's note: The "California High-Speed Rail Program Revised 2012 Business Plan" issued by the California High-Speed Rail Authority can be found online at http://www.hsr.ca.gov/docs/about/business_plans/BPlan_2012_rpt.pdf.]

Footnote 7: Hanna Declaration Letter,
October 2012

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EXEMPT FROM FILING FEES
(GOVERNMENT CODE 6103)

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SACRAMENTO - GORDON D. SCHABER COURTHOUSE

COUNTY OF MADERA, et al.,

Petitioners and Plaintiffs,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

CITY OF CHOWCHILLA, a California municipal corporation,

Petitioner and Plaintiff,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

TIMELESS INVESTMENT, INC., et al.

Petitioners and Plaintiffs,

vs.

CALIFORNIA HIGH-SPEED RAIL AUTHORITY, et al.,

Respondents and Defendants.

Lead Case No.: 34-2012-80001165-CU-WM-GDS

Cases Consolidated for Case Management, Briefing and Trial Purposes Only With:

Case Nos.: 34-2012-80001166-CU-WM-GDS
34-2012-80001168-CU-WM-GDS

DECLARATION OF MAKRAM HANNA IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION AND APPLICATION FOR ADMINISTRATIVE STAY

Hearing on Motion:
Date: Nov. 16, 2012
Time: 1:30 p.m.

ASSIGNED FOR ALL PURPOSES TO:
THE HONORABLE TIMOTHY FRAWLEY
DEPARTMENT 29

I, Makram Hanna, declare as follows:

1. I am the managing member of Center Point LLC. I make this Declaration in support of the Petitioners' Motions for Preliminary Injunction / Application for Administrative Stay. Except as to matters stated on information and belief, I have personal knowledge of the matters stated herein and if called as a witness could and would testify thereto, and as to matters stated on information and belief, I am informed and believe them to be true.

2. I have operated Center point LLC as both a land development and a farming entity for the past 8 years. As a managing member of a farming operation I am familiar with business practices associated planting, harvesting cyclical maintenance cycles and related accounting practices. As an operator of a land development entity, I am familiar with business practices associated with permitting, land entitlements, engineering, environmental studies and compliance, and related accounting practices. We own and operate businesses along Avenue 12 thrue Avenue 9 in Madera, California, specifically APN Numbers 047-240-003, 047-130-022-023, -024, -025, -026, -027, -028, -029, -030, -31 (the "Properties").

3. The Properties are within the right-of-way ("ROW") for the Merced to Fresno section ("Section") of the High-Speed Rail project, and are within the 29-mile long stretch of the ROW within the area covered by "Construction Package 1" ("CP1"), where the California High-Speed Rail Authority ("Authority") has announced its intention to purchase ROW properties, including portions, or all of some, of our Properties and begin construction in early 2013. Attached as Exhibit 1 is a map from the Final Environmental Impact Report ("FEIR") depicting the ROW and my properties (FEIR, Tech. App 2-B, pages 149-153, 70-71).

4. 2009, my company obtained two operating loans, one for $1,050,000 for equipment and land preparation, and the other for $1,500,000.00 to purchase trees, plant trees, and develop an almond orchard along Avenue 11, APN 047-240-003. The adjacent construction activities for CP1 may cause fugitive dust and water interruptions, and may involve the transport, storage and operation of earth moving and other construction equipment. These activities and their consequences may impinge on our ability to perform regular

maintenance on this parcel and to harvest the orchard. This in turn may interfere with our ability to repay the loans.

5. In addition to the farming property mentioned above, Center Point LLC owns a 308 acre industrially zoned area (APNs 047-130-022-023, -024, -025, -026, -027, -028, -029, -030, and 31) that the ROW will bifurcate entirely. The County of Madera has issued tentative map approvals, and final engineering design approvals for this industrially zoned area. When built, this partially permitted development will house a heavy agricultural maintenance equipment manufacturing facility. This area is scheduled to receive its final land entitlements and approvals from the County in the fall of 2013, at which point my company intended to begin selling or leasing sections of the property to appropriate business entities. I estimate that value of this industrial property to be approximately $100,000,000.00. Implementing the Section would destroy this investment and result in the loss of my company's tremendous efforts over several years to develop the industrial property.

6. The earth moving equipment would likely create a safety hazard during pre-harvest and harvest activities. Surveys and environmental studies have been done illegally on this property and if any more occur my operating loans could be jeopardized based on frequent disruptions to my cyclical maintenance activities.

7. If the Authority proceeds with its plans to purchase our Properties, including the industrial area, whether in their entirety, or as remnant pieces, lenders will not provide new loans for the upcoming growing season and the County will not issue its final approvals on the industrial area. Without a loan, our orchard property will not have the financial resources to operate for the season. Without the final entitlements from the County, the industrial area will not come to fruition. Regardless of whether the Authority decides to purchase all or some of my properties, my business plan for both my farming operations and the industrial area will be severely impacted.

8. Preventing our operation for a season will be a severe temporary impact, but it could also result in permanent or at least long-term impacts. Removing part or all of an almond

orchard from production for even one season would kill trees and demolish the long term investment. This would do permanent harm to my company's financial stability. If we do not have any trees for collateral, we cannot repay the loan.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this Declaration was executed this ___ day of October, 2012 at Madera, California.

_____
Makram Hanna

Footnote 8: Petitioner's Preliminary Injunction Brief, 2012

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EXEMPT FROM FILING FEES
(GOVERNMENT CODE 6103)

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Lead Case No.: 34-2012-80001165-CU-WM-GDS

Cases Consolidated for Case Management, Briefing and Trial Purposes Only With:

Case Nos.: 34-2012-80001166-CU-WM-GDS
34-2012-80001168-CU-WM-GDS

***CORRECTED* MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION AND ALTERNATIVE APPLICATION FOR ADMINISTRATIVE STAY**

Hearing on Motion / Application:
Date: Nov. 16, 2012
Time: 1:30 p.m.

ASSIGNED FOR ALL PURPOSES TO:
THE HONORABLE TIMOTHY FRAWLEY
DEPARTMENT 29

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NOTE REGARDING CITATIONS TO CEQA, THE RECORD, AND EXHIBITS

This Memorandum of Points and Authorities ("Memorandum") uses the following citation conventions regarding references to the California Environmental Quality Act ("CEQA"), Respondent's certified administrative record of proceedings ("Record"), and the exhibits to the Declaration of Jason W. Holder, filed herewith:

CEQA is codified at Public Resources Code section 21000, *et seq.* All statutory citations in this Memorandum are to CEQA unless otherwise indicated, and shall consist of a section symbol (§) followed by the section number and, if any, the subdivision(s) cited thereto. For example, a citation to Public Resources Code § 21100, subd. (b), would appear as follows: § 21100(b).

The **CEQA Guidelines** are codified at California Code of Regulations, title 14, chapter 3, section 15000, *et seq.* All citations to the CEQA Guidelines shall consist of the word "Guidelines" followed by a section symbol, the relevant section number, and, if any, the subdivision(s) cited thereto. For example, a citation to Cal. Code Regs, tit. 14, ch. 3, § 15003, subdivision (f), would appear as follows: Guidelines § 15003(f).

Citation to the **Record** are noted by the letter denoting the Record section (A through L) followed by page number(s). Where a page range or a series of pages are cited together, any duplicate leading page numbers are omitted. For example, a citation to Record Section B, pages 000047 and 000058 would appear as follows: B000047, 58.

Citation to **Exhibits** ("Exh." or "Exhs.") attached to the Declaration of Jason W. Holder in Support of Petitioners' Motion for Preliminary Injunction ("Holder Declaration") are to the exhibit letter identified in the Holder Declaration, filed herewith, followed by page number(s). For example, a citation to Exhibit A to the Holder Declaration, Excerpts from Fresno to Bakersfield Revised Draft EIR ("RDEIR"), pages 2-108 through 2-113 would appear as follows: Exh. A, pp. 2-108 – 2-113.

LIST OF ACRONYMS AND ABBREVIATIONS

Authority	California High-Speed Rail Authority
CalTrans	California Department of Transportation
CDFG	California Department of Fish and Game
CEQA	California Environmental Quality Act
Corps	U.S. Army Corps of Engineers
County	County of Madera
CP1	Construction Package No. 1
SLC	California State Lands Commission
CWA	Clean Water Act
CWD	Chowchilla Water District
DEIR	Draft Environmental Impact Report/Environmental Impact Statement for Section
DOC	California Department of Conservation
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency
RDEIR	Fresno to Bakersfield Revised Draft EIR
FEIR	Final Environmental Impact Report/Environmental Impact Statement for Section
FOF	Findings of Fact
FRA	Federal Railroad Administration
FWS	U.S. Fish and Wildlife Service
HMF	Heavy Maintenance Facility
HSR	High-Speed Rail
HST	High-Speed Train
ICS	Initial Construction Segment
Madera FB	Madera County Farm Bureau
Merced FB	Merced County Farm Bureau
NMFS	National Marine Fisheries Service
NOP	Notice of Preparation
PEIR	Program Environmental Impact Report/Environmental Impact Statement
POH	Preserve Our Heritage
Project	HSR statewide project
RFP	Request for Proposal
ROW	Right-of-Way
SJAPCD	San Joaquin Air Pollution Control District
SLC	State Lands Commission
SOC	Statement of Overriding Considerations
UPRR	Union Pacific Railroad Company

I. INTRODUCTION

This action challenges the certification of the FEIR for the Merced to Fresno Section of the HSR Project and related approvals.[1] This motion seeks to preserve the *status quo pendente lite*, to prevent substantial irreparable harm from, *inter alia*, Section implementation activities, already slated to commence before the Court can render its final judgment on the merits.

Petitioners County of Madera, Madera County Farm Bureau, Merced County Farm Bureau, Preserve Our Heritage, Chowchilla Water District and Fagundes Parties (collectively, "Petitioners") contend that Respondent California High-Speed Rail Authority violated CEQA and the Bagley-Keene Open Meeting Act ("Open Meeting Act")[2] in approving the FEIR. The Authority is implementing the challenged Section approvals while this lawsuit is pending, including commencing detailed engineering, land acquisition, planning and construction contracting activities. In early 2013, the Authority will begin buying ROW properties and will then commence pre-construction and construction activities. These activities will cost billions of taxpayer dollars and cause irreversible impacts to the environment, communities, the regional economy, business and individuals. They will disrupt farms and businesses, exacerbating challenges already presented by this depressed economy, and create significant construction impacts, such as increased traffic, noise, and air pollution. The Authority's insistence on charging full-steam ahead, despite substantial concerns about the Section and the Project, raised in this lawsuit and in other related cases,[3] is reckless, wasteful and destructive.

In contrast to the Authority's reckless behavior, a typical project developer, faced with a major CEQA legal challenge to its project approvals, does not proceed with pre-construction and construction activities. They do not need to be told to wait – the risk of wasted resources is too great. They know that a successful legal challenge may lead to major project changes, consideration of a feasible and superior project alternative, or even project denial after an

[1] *See* accompanying List of Acronyms and Abbreviations for descriptions of all defined terms.

[2] Gov. Code, § 11120, *et seq.*

[3] *See* RJN, filed herewith, describing: (1) two successful challenges to the Bay Area PEIR and Revised PEIR (appeals pending), (2) a pending challenge re the Project's consistency with Proposition 1A requirements, and (3) two related cases consolidated with this case.

accurate assessment of the project's environmental impacts. Self-interest alone is enough to prevent imprudent activity.[4] Here, presumably because the Authority is a public agency, it is apparently all too willing to put hundreds of millions of dollars of public money at risk. And there are even greater public interests at risk than just the hundreds of millions of taxpayer dollars. If allowed to proceed while this suit is pending, the Authority will cause real and irreversible damage – to the environment, to established communities, and to thousands of people's lives. This recklessness should be stopped.

Because Petitioners will likely prevail on the merits of their claims and the balance of harms weighs in Petitioners' favor, this Court should grant Petitioners' motion for a preliminary injunction or, in the alternative, Petitioners' application for an administrative stay. Such interim relief would protect the affected region from irreparable alteration prior to an accurate assessment and full disclosure of the scope and severity of the Section's environmental impacts and would ensure adequate consideration of alternative Section alignments and additional mitigation measures which may be identified in a revised EIR.

II. FACTUAL BACKGROUND

A. Project Background, Environmental Review and Approval

This lawsuit concerns the first 75± mile Section of an immense public infrastructure project that (if actually built) could ultimately include more than 800 miles of track, numerous stations and maintenance facilities, extensive electricity infrastructure, and other facilities on a 50 to 100-foot-wide grade-separated ROW stretching between San Diego and Los Angeles to the south and San Francisco and Sacramento to the north.[5] The southern portion of the Section is part of the 130±mile ICS that would extend from Madera to Bakersfield.[6] The ICS would be the first-to-be-built portion of the immense public infrastructure Project.

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[4] And even if self-interest is an insufficient brake, most projects have third-party financial investors or lenders who will not provide funds necessary for development to proceed when a major legal challenge is pending. For now, the Project relies entirely on taxpayer derived funds.

[5] *See* B000047, 58 [Figure S-1 and Table S-2], 153, 201; F1333593-95 [Statewide PEIR].

[6] *See* F146790, 803-04 [Revised 2012 Business Plan]; *see also* Exh. A, pp. 2-108 – 2-113; *see also* Exh. B, pp. 1, 7; *see also* Exh. C, Limits of Work Map.

In September 2009, the Authority published its second Notice of Preparation for the Section's DEIR.[7] The Authority conducted extremely limited surveys to establish the environmental baseline.[8] The DEIR, released for public review in August 2011, analyzed and compared the impacts of three alternative alignments, based on only a 15% level of design.[9] The DEIR analyzed the three broadly described alternatives at a general level of detail, without identifying a preference.[10] Based on a largely hypothetical baseline and a vague depiction of the project characteristics, the DEIR presented only a generalized analysis of Section impacts.[11] The DEIR deferred the formulation of feasible mitigation measures for many identified significant impacts to sometime after Section approval.

Petitioners and others submitted timely comments on the DEIR.[12] Notably, federal and state agencies expressed grave concerns regarding the analysis. For example:

- The Corps stated that the DEIR lacks sufficient detail regarding the impacts of project alternatives on jurisdictional waters and compensatory mitigation, the significance conclusions regarding temporary impacts to wetlands are unfounded, the indirect impacts to wetlands must be quantified, and significance conclusions regarding cumulative impacts to cultural resources are unsubstantiated;[13]

- The U.S. EPA observed that the DEIR's analysis lacks details and is incomplete, impacts to aquatic resources are insufficiently described and specific mitigation measures for these impacts are missing, impacts from all project features are not analyzed, impacts to drainage systems must be quantified, analysis of impacts to wildlife movement corridors, air quality, agriculture is incomplete, air quality health impacts must be quantified, growth inducing impacts are not fully analyzed, noise impact analysis is incomplete and associated mitigation measures are vague;[14]

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[7] *See* E000001-5. Notably, the first NOP, released in early 2009, announced an EIR that would analyze the *entire* Merced to Bakersfield section. *See* E000012-16.

[8] *See* B007997-98, 812-138, 597-98, 604-06, 617, 619, 9217, 10710-711, 10714 [Responses to comments 1112-1, 703-13, 717-3, 717-14, 780-10, 965-5], 7870 [Response General-24].

[9] *See* B007829-30 [Response General-1, "Level of Detail in Analysis" section].

[10] *See* B007851-53 [Response General-10]; B008586, 88 [comment 1151-3, criticizing delayed selection of preferred alternative and response].

[11] *See* B007829-31 [Response General-2], 8596-97, [comment 717-2 and response].

[12] *See* B007792-821 [tables in FEIR listing all agency, organization and business comments].

[13] B007949-55 [Corps's comments 940-2, 940-3, 940-12 and responses].

[14] B007962-7969, B007974, B007979-7983, B007987-7988, B007997-8000 [EPA comments 774-2 through 774-8, 774-25 and 1112-1 through 1112-5 and responses].

- NMFS recommended compensatory mitigation for construction-period and operational impacts to essential fish habitat;[15]
- CDFG recommended the Project include carefully designed wildlife crossing structures, urged extensive surveys to establish an accurate baseline, and criticized the deferral of analysis and mitigation;[16]
- CalTrans criticized the lack of analysis supporting conclusions regarding impacts to rail freight, truck routes and state highways, inadequate and inaccurate information concerning planned roadway changes, and inadequate analysis of impacts caused by road design changes and closures;[17]
- The DOC warned that more agricultural lands would be directly impacted than disclosed in the DEIR;[18] and
- The SLC criticized the lack of details concerning the San Joaquin River crossing and suggested that adding necessary details may require recirculation, the general failure to demonstrate efficacy of mitigation measures, the improper deferral of mitigation, and lack of analysis of noise impacts on fish species.[19]

The Authority responded to only a select subset of these and other comments.[20] Further, the FEIR improperly grouped multiple disparate comments together and provided a single generalized response, thus evading many significant points raised in comments.[21] In general, the responses defended the Authority's generalized approach, its unsupported assumptions regarding the environmental baseline, the deferral of impact analysis, the deferral of mitigation, and the narrow range of project alternatives.[22]

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[15] B007944, 55 [NMFS comment 756-1 and response]; *see also* B000777-778, 787 [FEIR did not adopt recommended mitigation].

[16] B010708-15 [CDFG comments 965-1 and 965-5 and responses]; *see also* B000196-97, B000747, B000750-52 [FEIR introduced wildlife crossing structures as project design features, but did not incorporate CDFG's recommended design methodology].

[17] B008055-59 [CalTrans comments 775-1, 775-5, 775-6 and 775-7 and responses], B008039-47 [CalTrans comments 721-1, 721-2, 721-14 and 721-19 and responses].

[18] B010720-22, B010725 [DOC comment 875-4 and response].

[19] B008023-28 [SLC comments 864-4, 864-5, 864-6 and 864-7 and response].

[20] *See, e.g.*, B007962 [EPA's comment re role of FEIR in Section 404 permitting process and deficiencies in FEIR, with no response to comment], 8122-33, 34-41 [comments 703-3, 703-10 and 703-16 and incomplete responses].

[21] *See* H000565-78 [Madera FB and Merced FB letter re FEIR].

[22] Citations to specific responses to comments are provided below in discussion of Petitioners' likelihood of prevailing with respect to each of these claims.

The FEIR's substantially revised analysis introduced significant new information. The analysis identified both new significant impacts[23] and changes in project design and new mitigation measures that would cause significant direct and secondary effects.[24] The FEIR, however, mostly ignored these effects, and failed to analyze and mitigate them.

Petitioners and others pointed out deficiencies in the Authority's responses to comments and in the FEIR's substantially revised analysis.[25] The Authority staff ignored most of these objections.[26] In spite of widespread comments urging recirculation and the extensive revisions to the analysis, the Authority did not recirculate a revised EIR for public review and comment. Instead, the Authority Board certified the FEIR and approved the Hybrid Alternative, but expressly deferred any decision concerning an east-west wye[27] alternative and the location of a heavy maintenance facility.[28]

On September 18, 2012, the Federal Railroad Administration released its Record of Decision for the Section.[29] The ROD, as the FRA's project approval, "will allow the Authority to move forward with construction and related activities for the [Section]...."[30] Notably, however, the Corps has not issued CWA Section 404 and Section 408 permits for the Section.[31]

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[23] *See, e.g.*, B010725 [response to DOC comment 875-4, acknowledging additional direct impacts to agriculture], 7974-88 [EPA comment 774-25 re increased noise impacts from more concrete slab], B000520, 535-36 [FEIR, Noise Ch., acknowledging increased noise related to concrete slab], 8044-48 [CalTrans comment 721-16 re unanalyzed traffic impacts and responses], 8196, 8209 [City of Merced comment 582-6 (#17) and response re inconsistency with city's general plan policies], B008206, 215 [comment 582-12 (#82) and response].

[24] *See, e.g.*, B000520 [change from ballast to concrete slab], 196-97 [new wildlife crossing structures], 399-415 [FEIR, Traffic, identifying new traffic mitigation measures that would cause secondary impacts], 9201-02, 9219 [comment 780-10 (re Bio-MM#45) and response].

[25] *See* H000643-45, 565-78, 538-48, 650-51, 550-54, 557-62, 975-8 [Comments re FEIR].

[26] See H001003-19 [Staff Responses to Comments re FEIR].

[27] The "wye" alternatives are "curved, high-speed alignments that would connect Central Valley sections of the HST with Bay Area sections." B007835; *see also* B000163-64.

[28] *See* A000004-7 [Approval Resolutions], 14-15 [CEQA Findings of Fact ("FOF") and Statement of Overriding Considerations ("SOC") for Section, description of deferred decisions and map of approved portions of Section].

[29] *See* Exh. D, p. 41.

[30] *Id.* at p. 6.

[31] *Id.* at pp. 9-10.

B. Project Implementation

Since approving the Section in early May 2012, the Authority has begun expeditiously implementing its approved Section plans. It solicited bids from construction firms and, as early as January 2013, will enter into contracts with the firms that will perform the work included in Construction Package No. 1 ("CP1"), a 29±mile stretch of the ICS extending from Avenue 17 in the City of Madera to south of East American Avenue in the City of Fresno.[32] The Authority is already conducting land surveys of properties within the CP1 ROW and other areas within the ICS and will soon begin acquiring property.[33]

At least several months before this lawsuit can be resolved, the Authority and its contractors will complete design of CP1, enter into binding contracts, initiate pre-construction activities, and begin construction of the CP1.[34] The Authority is aggressively implementing CP1 before the Corps, CDFG, CalTrans, SJAPCD, and other agencies have made permitting decisions.[35] Under the Authority's timeline, construction activities may occur before critical mitigation measures for air quality, traffic, noise, and agricultural impacts are in place.[36]

In March 2012, the Authority estimated that design-build work for CP1 will cost $1.5 to 2 Billion.[37] This estimate – which does not include the cost of acquiring the ROW, as well as other costs – has changed little in the ensuing months, even in the face of mounting estimated construction costs.[38] The actual cost of constructing CP1 alone may substantially exceed the

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[32] *See* Exh. E, pp. C-3 – C-5; *see also* Exh. B, p. 7; *see also* Exh. C, Limits of Work Map.

[33] *See* Exh. F; *see also* Exh. G, Notes for CP-01 A and B ROW Acquisition Plans; *see also* Declaration of Sam Curran in Support of Motion ("Curran Declaration"), ¶8.

[34] *See* F146803-04 [Revised 2012 Business Plan – initial construction begins in early 2013]; Exh. A, pp. 2-108 – 2-113. The Authority anticipates the notice to proceed with CP1 construction ("NTP") to be issued as early as March 2013. *See* Exh. C, p. 7.

[35] *See* Exh. D, ROD, pp. 9-10 [Corps has not issued Section 404 permit for Section]; *see also* B000258-259 [FEIR, list of permits required].

[36] *See, e.g.*, A000038-39 [FOF, N&V MM#1 with no mandatory restrictions that measures be in place prior to ground disturbing activities], 70-74 [FOF, MM-Bio#].

[37] *See* Exh. H, Staff Report to AUTHORITY Board re RFP for CP1.

[38] *See* Exh. B, p. 8 ["budget goal" for design and construction "estimated at $1.2 billion to $1.8 billion"]; *see also* Exh. I, Table Summary of Estimated CP1 Costs Identified in Task Orders [$1.5 Billion in Task Order costs alone]; *see also* Exh. J [Task Orders for infrastructure

Authority's publicized estimates for constructing all of the ICS. Indeed, the enormous costs associated with just CP1 balloons when extrapolated to the many other infrastructure modification projects that will be necessary to build *the rest of the Section and the ICS.*[39]

III. ARGUMENT

A. Legal Standard

Preliminary injunctions preserve the *status quo* until a final determination of the merits of the action.[40] To issue a preliminary injunction, the Court must weigh two "interrelated" factors: (1) the likelihood that the moving party will ultimately prevail on the merits and (2) the relative interim harm to the parties from issuance or nonissuance of the injunction.[41] The Court's "determination must be guided by a 'mix' of the potential-merit and interim-harm factors; the greater the plaintiffs showing on one, the less must be shown on the other to support an injunction."[42] Where the moving party makes a sufficiently strong showing of likelihood of success on the merits, the injunction may issue, even where the balance of harms does not tip in its favor.[43] Finally, a court "must exercise its discretion 'in favor of the party most likely to be injured.' ... If the denial of an injunction would result in great harm to the plaintiff, and the defendants would suffer little harm if it were granted, then it is an abuse of discretion to fail to grant the preliminary injunction."[44]

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relocation and construction work within CP1 indicates more than $1.3 Billion will be spent on infrastructure relocation and new construction work within City of Fresno for city facilities impacted by CP1]; *see also* Exhs. K through Q, [Excerpts from draft Master Agreements between Authority and Fresno County, Fresno Irrigation District, Madera County, Fresno Municipal Flood Control District, Madera Irrigation District, PG&E and AT&T, respectively; *see* also Exh. R [relocating 2.5±miles of Highway 99 will cost $225,900,000].

[39] For example, the more than $1.5 Billion in Task Order costs for infrastructure modification projects would be over $6.9 Billion when extrapolated to 130-mile ICS.

[40] *Continental Baking Co. v. Katz* (1968) 68 Cal.2d 512, 528.

[41] *Butt v. State of California* (1992) 4 Cal.4th 668, 677-678; *see also* Code Civ. Proc. § 526(a).

[42] *Ibid.*

[43] *Common Cause of California v. Board of Supervisors* (1989) 49 Cal.3d 432, 447; *Pleasant Hill Bayshore Disposal v. Chip-It Recycling* (2001) 91 Cal.App.4th 678, 696.

[44] *Robbins v. Superior Court* (1985) 38 Cal.3d 199, 205.

When a CEQA petitioner seeks a preliminary injunction and demonstrates a likelihood of prevailing on the merits, the Court should grant the injunction to avoid prejudice against project alternatives or feasible additional mitigation measures – or outright project denial.[45] In *San Joaquin Raptor I*, the Court, in issuing an injunction *sua sponte*, reasoned:

> If an injunction is not issued, ***surveying*** and ***construction*** may commence absent any meaningful exploration and public disclosure of the true scope of the development project, its sensitive environmental setting, environmental impacts or feasible alternatives. It is all too likely that if such activities proceed pending preparation of an adequate EIR, ***momentum will build*** and ***the project will be approved***, no matter ***how severe the environmental consequences*** identified in the new EIR. ***Consideration of alternative sites or density or additional mitigation measures***, ... will be prejudiced, for the development project will have proceeded well beyond the planning stages and ***change will be both more difficult to effect and less likely to occur***.[46]

That same rationale applies here with even more force.

B. The Court Should Issue a Preliminary Injunction

1. Plaintiffs Are Likely To Prevail on the Merits

There is a high probability that Petitioners will succeed on the merits. As explained below, the environmental review for the Section is deeply flawed.[47] Further, Petitioners will likely prevail on their Open Meeting Act claim.

(a) CEQA Violations

"CEQA was intended to be interpreted so as to accord the fullest possible protection to the environment within the reasonable scope of the statutory language."[48] CEQA is a full

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[45] *San Joaquin Raptor/Wildlife Rescue Ctr. v. County of Stanislaus* (1994) 27 Cal.App.4th 713, 741-742 (*San Joaquin Raptor I*).

[46] *Id.* at p. 742.

[47] Due to brief length limitations, Petitioners have not presented all of their CEQA claims in connection with this Motion and Application – most notably, the claims of improper tiering and failure to analyze a reasonable range of project alternatives. These claims are more complicated than the CEQA claims presented herein. Petitioners intend to raise these and other remaining claims when briefing the merits of their Petition for Writ of Mandate and Complaint.

[48] Guidelines § 15003(f), citing *Friends of Mammoth v. Bd. of Supervisors* (1972) 8 Cal.3d 247, 259; *see also Environmental Protection Information Center, Inc., v. Johnson* (1985) 170 Cal.App.3d 604, 622 ["Full compliance with the letter of CEQA is essential to the maintenance of its important public purpose."].

disclosure statute – the EIR is the method by which that disclosure is made.[49] As such, the EIR must describe the proposed project and its environmental setting, identify and analyze the significant environmental impacts, describe how those impacts can be mitigated or avoided, and identify a reasonable range of alternatives to the project, among other requirements.[50]

Under CEQA, the Court must set aside an agency action if the agency committed a prejudicial abuse of discretion.[51] This abuse of discretion occurs if the agency fails to proceed in the manner required by law or if its findings are not supported by substantial evidence.[52]

> While courts "determine *de novo* whether the agency has employed the correct procedures 'scrupulously enforc[ing] all legislatively mandated CEQA requirements' [citation], [courts] accord greater deference to the agency's substantive factual conclusions. [citations] [¶] In evaluating an EIR for CEQA compliance, then, a reviewing court must adjust its scrutiny to the nature of the alleged defect, depending on whether the claim is predominantly one of improper procedure or a dispute over the facts.[53]

The Authority's CEQA violations discussed below are subject to the *de novo* standard of review, as they concern CEQA's legislatively mandated requirements.

(1) Inadequate Project Description

The Authority failed to provide an accurate and complete description of the Section, in violation of CEQA. "An accurate, stable and finite project description is the *sine qua non* of an informative and legally adequate EIR."[54] Without it, CEQA's objective of fostering public disclosure and informed environmental decision-making is stymied.[55]

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[49] *Christward Ministry v. Super. Ct.* (1986) 184 Cal.App.3d 180, 185; *Laurel Heights Improvement Assn. v. Regents of Univ. of Calif.* (1993) 6 Cal.4th 1112, 1123 (*Laurel Heights II*).

[50] *Mejia v. City of Los Angeles* (2005) 130 Cal.App.4th 322, 330, citing §§ 21100(b), 21151 and Guidelines §§ 15124, 15125.

[51] § 21168.5.

[52] *Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova* (2007) 40 Cal.4th 412, 435 (*Vineyard*), citing § 21168.5.

[53] *Ibid.*, citations omitted.

[54] *County of Inyo v. City of Los Angeles* (1977) 71 Cal.App.3d 185, 193.

[55] *See City of Santee v. County of San Diego* (1989) 214 Cal.App.3d 1438, 1450; *see also San Joaquin Raptor I, supra*, 27 Cal.App.4th at p. 730.

> The adequacy of an EIR's project description is closely linked to the adequacy of the EIR's analysis of the project's environmental effects. If the description is inadequate because it fails to discuss the complete project, the environmental analysis will probably reflect the same mistake.[56]

The project description also must be complete and consistent throughout an EIR.[57] "A curtailed or distorted project description may stultify the objectives of the reporting process. Only through an accurate view of the project may affected outsiders and public decision-makers balance the proposal's benefit against its environmental costs...."[58] Indeed, courts have cautioned lead agencies against crafting a project description in ways that minimize reported environmental effects by omitting reasonably foreseeable project aspects.[59] The required project description provides a sound basis for (1) focused and meaningful public input, (2) complete identification of issues, (3) development of reasonable alternatives, (4) focused analysis of effects, and (5) informed deliberation and a supportable decision.

Here, DEIR and FEIR did not include a complete, sufficiently detailed and consistent description of the Section alternatives so that the public and decision makers could understand the effects of the project and its alternatives.[60] When commenters raised this concern, the Authority dismissed this issue, responding that the level of review in the DEIR was based on a 15% design, that the FEIR "had reached 15-30% level of design"[61] and that more detailed

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[56] Kostka and Zischke, *Practice Under the California Environmental Quality Act*, § 12.7, pp. 580-581 (Jan. 2011 update) (*Practice Under CEQA*), excerpts attached hereto as Exh. 1.

[57] *County of Inyo, supra*, 71 Cal.App.3d at 192; *see also City of Redlands v. County of San Bernardino* (2002) 96-Cal.App.4th 398, 406 ["An accurate *and complete* project description is necessary for an intelligent evaluation of the potential environmental impacts of the agency's action"]; *see also* Guidelines § 15003.

[58] *Id.* at pp. 192-193.

[59] *See, e.g., San Joaquin Raptor Rescue Ctr. v. City of Merced* (2007) 149 Cal.App.4th 645, 655 (*San Joaquin Raptor II*); *see also Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 733; *see also* Guidelines § 15146.

[60] *See generally* B000153-244 [FEIR, Ch. 2 Alternatives]; *see also* 8596-97, 617 [comment 717-2 and response].

[61] B007830 [Response General-1]. The FEIR does not explain which aspects of the design had reached levels exceeding 15%, nor does it explain whether the increased level of design provides details that reveal previously undisclosed environmental impacts. *See ibid.*; B000176.

"review" would occur ***after*** approval of the Section.[62] This, despite the fact that the Authority's predecessor agency, the Intercity High Speed Rail Commission, had stated that at least a 35% design was necessary to conduct environmental review.[63] The Authority has never explained how a 15% level of design can suffice as the basis for project-level environmental review. On the contrary, in several responses to comments, the Authority ***admitted*** that the 15% level of design limited its impact analysis.[64]

The FEIR also failed to accurately identify all Section characteristics.[65] Such Section characteristics include, but are not limited to:

1) The amount of land to be (a) acquired and (b) disturbed;[66]

2) Preferred and alternative locations for (a) the heavy maintenance facility and for (b) an east-west wye alternative;[67]

3) New and modified (a) transmission lines and substations necessary to provide power to the Section and (b) related access roads and spur roads;[68]

4) New and modified irrigation, drainage, water supply and sewer infrastructure;[69]

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[62] B007830 [Gen. Response 1], B007997-98 [EPA comment 1112-1 re inconsistent estimates on impacts to aquatic resources and response], B008218, 23 [City of Merced comment 590-5 re unanalyzed traffic impacts and response], B008626-27, 8634-35 [comment 1111-4 re insufficient project detail for impact analysis and response], B009177, 79 [PG&E comment 576-6re inadequate analysis of cumulative impacts to utilities and response], B009315-17, 9346-47 [comments 668-13 through 668-17 re incomplete project description and responses].)

[63] *See* Exh. S, Excerpts from *High Speed Rail Summary Report and Action Plan* (1996), p. 9-4.

[64] *See, e.g.*, B008114 ["The [Section's] level of design somewhat limits the level of detail that the EIR/EIS can achieve"], 8137 [same], 8211 [same].

[65] *See San Joaquin Raptor I, supra*, 27 Cal.App.4th at pp. 729-731; *see also Practice Under CEQA*, § 12.8, pp. 581-582, excerpts attached hereto as Exhibit 1.

[66] *Compare* DEIR, Summary, p. C000007 ["the total acquisition area for the Merced to Fresno Section would be between 2,500 and 3,300 acres"] *with* FEIR, Summary [no estimate].

[67] B000081, 155, 167, 174 [FEIR description of alternatives].

[68] The FEIR describes some, but not all, of these transmission system upgrades and related infrastructure. B000165-67, 196; *see also* H000543-44 [comments criticizing lack of information re transmission infrastructure]. The analysis of impacts associated with transmission system upgrades is perfunctory. *See, e.g.*, B000452, 453, 610, 618, 627, 639, 1178 [air quality, utility and aesthetic impacts of transmission infrastructure, respectively].

[69] The FEIR fails to describe these necessary facilities in any meaningful level of detail. B0001962-44, 0254; *see also* B008125, 36 [comment 703-5 and response], 8084-88 [comments 751-1 and 550-1 and responses], 8231-34, 52 [comment 708-2 and response].

5) New and modified bridges over streams and rivers;[70]

6) The amount of concrete slab that will be used for tracks in lieu of ballast;[71]

7) Wildlife crossing structures;[72]

8) Modified freeway interchanges, ramps and frontage roads;[73]

9) Road closures and modifications required for each alternative;[74]

10) New and modified roadway overpasses;[75] and

11) The location of construction staging areas and concrete batch plants.[76]

The FEIR fails to describe these and other major Section characteristics with enough detail for an accurate project-level review of environmental impacts.[77] The lack of detail also denies meaningful public participation and compromises responsible decision-making.

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[70] *See* B000160-161, 221. Bridge construction impacts have been fully analyzed. *See* B000680-84, 734 ["Final bridge design plans are not currently available, but may require placing piling within the San Joaquin River"], 7965, 981 [EPA comment 774-6 re inadequate analysis of river crossing impacts and response], 7964, 67 [comment 864-3 and response].

[71] This major change in project design occurred after release of the DEIR. *See* B000076 ["Slab track would be 3 decibels (dB) louder than ballast and tie track because of the decreased acoustic absorption … and changes to the track stiffness. This change increased the number of severe impacts for all HST alternatives and resulted in longer sound barriers for mitigation"], 7974, 88 [EPA comment 774-25 (Section 10.4) and response], B000520.

[72] The Authority added these project features at the FEIR stage, the DEIR is silent with respect to structures specifically designed to allow wildlife to pass beneath the HSR ROW. *Compare* B000196-197 [FEIR, Ch. 2, Alternatives] *with* C000246-48 [DEIR, Ch. 2, Alternatives]. The introduction of these features resulted in an unstable project description. The FEIR also did not consider any impacts associated with construction and operation of wildlife crossing structures.

[73] The FEIR only mentions possible modifications to freeways and ramps, but does not describe in detail these necessary aspects of Section alternatives. *See* B000205, 232, 300.

[74] B000154, 178 [Table 2-2], 179, 205. The analysis of impacts associated with road closures and modifications was perfunctory at best. *See* B000270, 293, 304, 307, 312-13; *see also* B008196-97, 8208-09 [comments 582-5 (bullet 13) and 582-7 (bullet j) and responses].]

[75] *Ibid.*

[76] *See* B009191-92, 9210 [comment 780-5 and response].

[77] The Authority claims that Section characteristics are described more specifically in design drawings attached as appendices to the DEIR and FEIR. *See* B007869-70 [Response General-23]. The design drawings, however, only broadly depict Section characteristics. *See, e.g.*, B001773-74 [FEIR, Appendix 2-B, Project Footprint maps depicting San Joaquin River crossing]. Also, the FEIR fails to sufficiently incorporate even this broad information.

Finally, the DEIR and FEIR descriptions of the proposed project and the alternatives were further inadequate in that the Authority failed to first identify a proposed Section alignment in the DEIR and a range of less defined Section alignment alternatives, as CEQA requires. Instead of identifying a proposed project at the DEIR stage of the analysis, the Authority analyzed three different alternatives ***at the same generalized level***, and only in December 2011 (two months after the close of the DEIR comment period), selected a preferred alternative to focus on in the FEIR.[78] This unusual approach frustrated disclosure of Section impacts and meaningful public participation at the DEIR stage.

(2) Piece-mealed Environmental Review

The Authority contemplates building a larger 130-mile ICS that would extend south to Bakersfield.[79] Initially, the Authority would use the ICS to test HSR trains and it may be used for Amtrak service.[80] Because the whole ICS constitutes the first phase of HSR construction and operations, the Authority should have identified the entire ICS as the project under review in a single EIR (as it did in the original NOP). This approach would have provided a more accurate, comprehensive and realistic basis for analysis of the actual project in a single project-level EIR. Instead, the Authority arbitrarily divided the ICS into pieces: the Merced to Fresno section and the Fresno to Bakersfield section, thereby creating a "fallacy of division."[81] Planned construction and operation will not correspond with ***either*** section's boundaries, but the FEIR fails to present any rationale justifying the Authority's division of the analysis.

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[78] B000155; *see also* 8586, 88 [comment 1151-3 objecting to delayed selection of preferred alternative and response].

[79] *See* F146788, 803-04, 902 [Revised 2012 Business Plan]; *see also* B007853-54 [Response General-12], 9872, 934 [responses to comments 166-1 and 10-1]; *see also* Exh. C. This continues to be the Authority's plan. *See* Exh. F, RDEIR, pp. 2-108 – 2-110.

[80] B000168-70 [information re HSR testing]; *see also* B008399, 402 [Amtrak comment 727-1 (#1), insufficient information re incremental implementation of Phase 1 of Project and response], 8931-32, 34 [comment 131-2 and response].

[81] *See Nelson v. County of Kern* (2010) 190 Cal.App.4th 252, 271 ["the broad scope of the term 'project' prevents 'the fallacy of division,' which is the 'overlooking [of a project's] cumulative impact by separately focusing on isolated parts of the whole'], quoting *McQueen v. Bd. of Directors* (1988) 202 Cal.App.3d 1136, 1144.

The FEIR includes only a partial analysis of three east-west wye alternatives and the alternative Heavy Maintenance Facility ("HMF") locations. Commenters criticized the DEIR's analysis as incomplete and proposed a different wye alternative along State Route 152; in response, the Authority eliminated the wye and HMF portions of the Section from its proposed approval altogether, deferring review of these potential Section components until later.[82] This was improper, however, because the FEIR conflates the Section's north-south alignment impacts with wye impacts, making it impossible to differentiate the two sets of impacts.[83] Thus, the Authority's approach to analyzing the "whole of this project" is confused, inconsistent, and a violation of CEQA's express piece-mealing prohibition.

(3) Failure to Establish an Accurate Environmental Baseline for Measuring the Section's Impacts

The Authority failed to conduct adequate surveys to identify the environmental baseline for Section alternatives with respect to special status plants, endangered and threatened species, wetlands, cultural resources, agricultural resources and socioeconomic conditions.[84] Without this baseline information, it could not conduct meaningful analysis of Section impacts.

The environmental setting constitutes the baseline against which project impacts are measured.[85] An accurate description of the affected environment is an essential prerequisite for an adequate analysis of Section impacts.[86] "CEQA requires that the preparers of the EIR

[82] *See, e.g.*, B007950, 53-54 [Corps's comment 940-11 and response], 8498, 512 [comment 706-11 and response], 9128, 34 [comment 616-1 and response], 9190-91, 210 [comment 780-4 and response]; *see also* H000540-42 [comments re FEIR], 550 [comments re FEIR]; *see also* A000014-15, 89 [FOF, description of Section and discussion of impacts to agriculture].

[83] *See, e.g.*, B000691-98, 721-27 [Tables summarizing impacts to biological resources, with conflated information re wye and north/south alignment impacts], B001086-95 [analysis of impacts to agricultural lands with similarly conflated information].

[84] *See* B007962-63, 7965, 7967, 7979, 7981-7983 [EPA comments 774-3, 774-6, 774-8 and responses]; B010710-11, 15 [CDFG comment 965-5 and response], 8604-05, 610-12, 619-22 [comments 717-14, 717-18 and responses], 8128, 38 [comment 703-13 and response], 8197, 209-10 [comments 582-7(j)-(k) and responses], 8314, 21 [comment 605-19 and response].

[85] *See* Guidelines § 15125; *see also Practice Under CEQA*, §§ 12.16 - 12.17, p. 594, excerpts attached hereto as Exh. 1.

[86] *See Save Our Peninsula Com. v. Monterey County Bd. of Supervisors* (2001) 87 Cal.App.4th 99, 120-124 (*Save Our Peninsula*).

conduct the investigation and obtain documentation to support a determination of pre-existing conditions. [Citation.] This is a crucial function of the EIR."[87] A lead agency has an obligation, for example, to collect information regarding the presence of species that may be impacted by a proposed project.[88]

The Authority failed to meet this requirement. In fact, in responses to comments the Authority admitted that surveys for special status species would not be conducted until later, as part of a future Biological Assessment.[89] CEQA, however, prohibits a lead agency from relying on a ***future*** study for this critical baseline information.[90]

(4) Improper Deferral of Impact Analysis

The Authority failed to fulfill its obligation to analyze, with sufficient care and detail, the Section's impacts. The purpose of an environmental review document under CEQA is "to inform the public and its responsible officials of the environmental consequences of their decisions before they are made."[91] Thus, a lead agency must conduct environmental review of all foreseeable aspects of a proposed project.[92]

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[87] *Id.* at p. 122.

[88] *Sierra Club v. State Bd. of Forestry* (1994) 7 Cal.4th 1215, 1236, citing §§ 21000, 21002, citations omitted; *see also San Joaquin Raptor I, supra*, 27 Cal.App.4th 713, 726 ["an agency must use its best efforts to *find out* and disclose all that it reasonably can...."], quoting Guidelines §§ 15144, 15145, italics in original.

[89] *See* B007945 [response to comment 756-1], 8736-38, 50 [comment 795-12 and response].

[90] *See, e.g., San Joaquin Raptor II, supra*, 149 Cal.App.at pp. 669 [invalidating EIR that due lack of baseline information on the ground that mitigation measure calling for protocol surveys did not make up for this deficiency].)

[91] *Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d 553, 564; *see also Natural Resources Defense Council, Inc. v. City of Los Angeles* (2002) 103 Cal.App.4th 268, 271 ["The EIR is intended to furnish both the road map and the environmental price tag for a project, so that the decision maker and the public both know, before the journey begins, just where the journey will lead, and how much they - and the environment - will have to give up in order to take that journey"].

[92] *See Laurel Heights Improvement Assn. v. Regents of Univ. of Calif.* (1988) 47 Cal.3d 376, 395-396 (*Laurel Heights I*); *see also Berkeley Keep Jets Over the Bay Comm. v. Board of Port Com'rs* (2001) 91 Cal.App.4th 1344, 1361-1362 ["It is, of course, not necessary that plans for future use be final, or that the precise details of the future use be known, before an analysis of environmental impacts are required"].

In this case, the Authority approved a Section of the Project that will result in the destruction of habitat, important farmland, extensive utility and roadway infrastructure, commercial and industrial facilities and residences all along its ROW. The Section will deviate from existing transportation corridors – thereby causing extensive impacts – but the FEIR does not fully explain where this ambitious but highly destructive "journey" will lead.

The FEIR fails to provide sufficient "site-specific" analysis, as required and promised. Both the Statewide PEIR and the Bay Area PEIR defended their respective general levels of impact analysis by assuring the reader that more detailed analysis would occur at the project-level of environmental review.[93] The FEIR for the Section does not explain how it provides the required detailed review promised in the earlier first-tier PEIRs (it does not).

In fact, nearly all federal, state and local agencies that commented on the DEIR pointed out the lack of sufficiently detailed analysis and concrete mitigation.[94] For example, the U.S. EPA and Corps, who both must rely on the analysis for their permitting and approval decisions, commented that the DEIR failed to quantify all impacts on wetlands and other aquatic resources and failed to provide qualitative impact data.[95] Yet the Authority pursued a strategy that treated the detailed analysis of impacts to wetlands and species required for federal permitting as separate from the analysis required under CEQA (and NEPA). Because the FEIR

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[93] The Statewide PEIR promised that "[t]he detail of engineering associated with the project level environmental analysis will allow the Authority to identify system requirements and further investigate ways to avoid, minimize and mitigate potential effects on the provision of such services." F133709; *see also* F133714, 734, 812-813, 815, 839-840, 863, 868-869, 896 [deferring detailed analysis of traffic, air quality, noise and vibration, energy, electromagnetic field/interference, land use and planning/ communities and neighborhoods/property/ environmental justice and agricultural impacts].

Similarly, the Bay Area PEIR and Revised PEIR also promised more detailed impact analysis at the second-tier project-level of review. *See, e.g.*, F126797, 800, 811-13 [promising more detailed analysis of impacts to agricultural lands] F133228 [promising more detailed traffic impact analysis]; *see also* F130442-45 [Ruling on Submitted Matter attached to Bay Area Revised PEIR, discussion of claims regarding general level of analysis].

[94] *See* description of federal and state comments in Section II.A., *supra*. *See also* B008311, B008320 [comment 605-1 and responses], 8123-25, 8134-36 [comment 703-3 and response] .

[95] *See* B007963-64, 7979-80, 7998-99 [EPA comments 774-3, 774-4 (Bullet #5) and 1112-1 and responses], 7959, 961-62 [Corps's comment 940-3 and response].

serves as the sole environmental review document for all federal and state permits, it needed to provide a more detailed analysis.[96] The Authority ignored this directive.

Similarly, when EPA, CDFG and CalTrans requested more detailed impact analysis, the Authority responded that quantified information would be provided ***after*** Section approval.[97] Thus, in this respect too, the analysis is deficient.

The analysis of impacts to agricultural lands fails to describe criteria used to determine whether severed parcels could be used productively for agriculture. The Statewide PEIR assumed that the Project ROW would be adjacent to or within existing transportation corridors, but recognized the possibility of deviation from these corridors and ***promised detailed severance analysis at the project level.***[98] But the FEIR also fails to provide this analysis.

The analysis of agricultural impacts underestimated impacts for a number of reasons. First, it only counted as directly impacted an unidentified number of severed agricultural parcels where access "would be restricted in such a way that the parcel would be unusable."[99] The Authority did not engage in the detailed analysis because "[d]etermining the economic feasibility of a large number of individual remainder parcels is not reasonably feasible because of the many local and parcel-specific factors that determine whether the parcel remains economically viable for farming."[100] This approach not only violates the Authority's past promises for detailed severance analysis, it is legally unsound because it dismisses the

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[96] *See* B007962 [EPA's comment re role of EIR in Section 404 permitting process and deficiencies in DEIR, with no response to this comment].

[97] B007966, 82 [EPA comment 774-7 (Section 4.3) and response], 10708-15 [CDFG comments 965-1 and 965-5 and responses], 8055-59 [CalTrans comment 775-9 and response].

[98] *See* F133901 ["Potential severance locations are discussed qualitatively, not quantitatively, in this program-level document. Parcel-specific information is also not considered in this program-level analysis. Project-level farmland conversion and severance impacts that are determined to be significant adverse impacts *would be addressed in subsequent project-level documents*"], italics added, 910 [potential alignments "would be developed adjacent to existing UPRR or BNSF rail rights-of-way" but, for some segments, "the alignment options are assumed to be *within* existing rights-of-way"], 915 [second-tier project-level analysis will provide a more precise evaluation of impacts to agricultural lands].

[99] *See* B008609-10, 22 [comment 717-17 and response].

[100] B008622.

possibility that even those severed parcels that would retain access to roadways might still experience significant direct impacts, so as to impair or eliminate the agricultural resource.

Second, it concluded (without any support) that an undisclosed portion of the severed parcels could be farmed, and consequently would not be impacted by the Section.[101] But the FEIR fails to describe criteria used to determine whether a remainder parcel could be farmed; it also does not provide the number of remainder parcels counted towards the total acreage of impacted agricultural lands or the number of parcels excluded from this total.[102]

Third, the analysis failed to consider impacts to agriculture caused by severed facilities, such as irrigation and drainage canals and internal farm roads. The Authority's response to comments concerning this issue promises this analysis later on a case-by-case basis during the valuation process.[103] This response incorrectly implies that the issue solely concerns economics and does not implicate the loss of agricultural land, a CEQA impact. This assumption is false.

Finally, the FEIR only describes severance of undefined "large" parcels, it does not inform the reader of the amount and severity of severance to hundreds of smaller parcels.[104] The analysis disregards the possibility that severing even a few acres from a small farm could have even more significant effects than severing the same acreage from a large farm.[105]

This entire approach constitutes impermissible deferral of impact analysis. The Authority consequently also failed to satisfy its obligation under CEQA to provide "sufficient meaningful information regarding the types of activity and environmental effects that are reasonably foreseeable" from the Section.[106]

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[101] *See* B001064 [FEIR, methods for evaluating impacts to agricultural lands].

[102] *See ibid.* The Authority did not adequately explain its methodology in response to pertinent comments. *See* B008609-10, 22 [comment 717-17 and response], 7967, 82 [EPA comment 774-8(5.1) and response], 7840-7843 [Response General-4], 7925 [Response Agriculture-3].

[103] B007927 [Response Agriculture-4]; *see also* B009203, 20 [comment 780-11 and response].

[104] *See* B001090-91 [FEIR, identifying only number of "large" severed parcels].

[105] *See* B009904-05 [Shebelut comment].

[106] *See Stanislaus Natural Heritage Proj. v. County of Stanislaus* (1996) 48 Cal.App.4th 182, 206 [failure to describe impacts associated with supplying water to development project].

(5) Improper Deferral of Mitigation

The Authority also violated CEQA's requirement that mitigation measures be clearly defined and enforceable.[107] The typical FEIR analysis identifies possible significant impacts, mentions various generalized mitigation measures that "could" be implemented and then simply concludes, without discussion, that the identified potential impacts would be insignificant with mitigation.[108] However, the FEIR fails to address the efficacy of mitigation measures and fails to include required specific performance standards.[109] In this respect, the FEIR suffers from some of the same flaws identified by the Court in *San Joaquin Raptor II*:

> [A]fter first presuming that special-status species will be present in or near the vernal pools, the EIR leaves the reader in the dark about what land management steps will be taken, or what specific criteria or performance standard will be met, if this presumption is confirmed by the later protocol studies. The success or failure of mitigation efforts in regard to impacts on such vernal pool species may largely depend upon management plans that have not yet been formulated, and have not been subject to analysis and review within the EIR. The fact that the future management plans would be prepared only after consultation with wildlife agencies does not cure these basic errors under CEQA, since no adequate criteria or standards are set forth.[110]

The Authority's approach to mitigating impacts to wetlands is a prime example. The Corps and the EPA both commented that the DEIR provided insufficient information for their determinations concerning the adequacy of mitigation for impacts to wetlands; other commenters echoed these criticisms.[111] In response, the Authority treated its development of

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[107] *See* Guidelines § 15126.4(a)(1)-(2).

[108] *See, e.g.*, B000760, 763, 784-86 [Bio-MM#5 requires Biological Resources Management Plan but lacks specific performance standards; Bio-MM#59 requires Habitat Mitigation and Monitoring Plan where "performance criteria will be developed in consultation with the permitting agencies"], 795-813 [impacts to biological resources insignificant with mitigation].

[109] *See, e.g.*, B007964-65, 67 [comment 864-6 and response], 8126-27, 34, 39 [comments 703-3, 703-16 and responses], 8202-06, 211-15 [comments 582-9 (bullet #55) and 582-12 (bullets #75, 85, 86) and responses], 8318-19, 24 [comments 605-53, 605-54, 605-56 and 605-60 and responses], 8607, 19-21 [comment 717-15 and response], 9191-92, 210-11 [comment 780-5 and response]; *see also* H000546 [comments re deficient mitigation measures].

[110] (2007) 149 Cal.App.4th 645, 670.

[111] *See* B007649, 52, 7964, 80-81 [comments 940-2 and 774-5 and responses], 9296-98 [comment 693-2 and response], 8608, 19-21 [comment 717-15 (¶(d)) and *no* response].

wetland mitigation measures as if they were only required for Corps and EPA permitting requirements, and not as a requirement under CEQA for good faith analysis and disclosure.[112]

(6) Failure to Analyze Secondary Impacts Caused by Traffic Impact Mitigation

The Authority proposed dozens of roadway modifications as mitigation for traffic impacts, but summarily concluded that these roadway construction activities would not result in ***any*** secondary impacts.[113] By summarily disregarding even the possibility of secondary impacts, the FEIR fails to satisfy CEQA's requirements.[114]

The DEIR described extensive traffic mitigation measures that would necessarily cause impacts, and the FEIR and the Errata to the FEIR added traffic mitigation measures to roadways throughout the Section area.[115] Modifications to State Route 99 and adding lanes at dozens of intersections throughout the region will cause traffic, air quality, noise and other impacts that the Authority was required to analyze.[116] While the FEIR retains the conclusory statement that none of the traffic mitigation measures would cause secondary significant effects, the statement is both unsupported by evidence and is obviously false. The FEIR evidences ***no*** effort to analyze the impacts from traffic mitigation measures.[117]

(7) Inadequate Mitigation for Agricultural Impacts

The FEIR proposed only two mitigation measures for agricultural impacts and concluded that, even after mitigation, these impacts would remain significant.[118] Commenters

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[112] *See ibid.* [responses to comments 940-2, 774-5, 717-15].

[113] *See* B000398; *see also* 90580, 84 [Transportation Technical Report, with same conclusory statements re absence of any secondary impacts and no supporting analysis].

[114] *Save Our Peninsula, supra*, 87 Cal.App.4th at p. 130 ["An EIR is required to discuss the impacts of mitigation measures"]; *see also* Guidelines § 15126.4(a)(1)(D).

[115] *See* C000454-473; *see also* B000399-400, 402, 408-415 [FEIR], 13190 [Errata to FEIR].

[116] *See* B008219-20, 22 [comment 590-11 (Bullet #4) and response]; *see also* H000582-83 [comments re secondary traffic impacts].

[117] If it has conducted an analysis of potentially secondary impacts, such an analysis is not apparent from the FEIR or from the referenced technical appendix. As such, at the very least, the Authority has violated CEQA by not providing the public with roadmap to its analysis.

[118] B001097-1100.

expressed many concerns regarding the adequacy of proposed mitigation for agricultural land impacts.[119] Some proposed other specific mitigation measures that could further reduce impacts to agricultural lands, including a higher ratio for preserving agricultural lands and a requirement to improve less productive lands.[120] The Authority summarily dismissed these suggestions without analyzing their feasibility.[121] In so doing, the Authority violated CEQA.[122]

To make matters worse, after the release of the FEIR, the Authority converted one of the two mitigation measures for agricultural impacts, Ag-MM#2, into a "project design feature.[123] Ag-MM#2 required a program to consolidate remnant farm parcels severed by the Section. By changing this mitigation measure into a design feature, the Authority Board rendered it unenforceable.[124] This change severely weakened already deficient measures for mitigating impacts to agricultural lands, but staff ignored this concern.[125]

(8) Inadequate Cumulative Impacts Analysis

The analysis of the Section's cumulative impacts failed to consider impacts from the neighboring HSR sections. This failure violates the requirement that the cumulative impact analysis "reflect a conscientious effort to provide public agencies and the general public with adequate and relevant detailed information about [cumulative impacts]."[126]

As part of the ICS, the adjacent Fresno to Bakersfield section would be concurrently built, prior to September 2017, in order to receive maximum federal funding.[127] Thus, near

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[119] *See* B007960 [EPA comment, with *no response*, re need for additional commitments to mitigate ag and community impacts], 8505-07, 15[comment 706-17 and response], 8910, 22 [comment 717-17 and response], 9204, 20 [comment 780-11 (last ¶) and *no* response].

[120] *See, e.g.*, B009131, 37 [comment 616-33 and response]; *see also* H000572-74.

[121] *See ibid.*; *see also* H001007-08 [Staff Response to Issues Raised on Section FEIR].

[122] *See Los Angeles Unified School Dist. v. City of Los Angeles* (1997) 58 Cal.App.4th 1019, 1029 [EIR must respond to suggestions for mitigating a significant environmental impacts].

[123] B013208-11 [Errata to FEIR].

[124] *See* H000577.

[125] H001008 [discussing farmland consolidation program without addressing enforceability].

[126] *San Franciscans for Reasonable Growth v. San Francisco* (1984) 151 Cal.App.3d 61, 79.

[127] F146803-04 [Revised 2012 Business Plan]; *see also* B007853-55 [Response General-12: "The ICS will include parts of the Merced to Fresno and Fresno to Bakersfield sections...."]; *see also* Exh. B, Limits of Work Map [CP1 includes portion of Fresno to Bakersfield section.].

simultaneous construction of this neighboring section is not only reasonably foreseeable, it is probable. Similarly, the east-west wye connection and the Merced to Sacramento sections are also reasonably foreseeable expansions. Each of these future actions/expansions of the HSR Project clearly should have been included in the analysis of cumulative impacts because environmental review for these neighboring sections is already underway.[128] Yet, the analysis of the Section's cumulative impacts to almost all resource areas ***is silent*** concerning the contributing cumulative impacts of neighboring sections.[129]

This failure is especially problematic with respect to cumulative impacts to the cities of Fresno, Chowchilla, and Merced because the junctures between the Section and neighboring sections are in the middle of these cities. According to the City of Fresno "the split analysis used by the [DEIR] has the effect of assessing only a divided portion of the community ... which artificially reduces the significance of impacts and results in less effective mitigation measures."[130] The Authority's method of dividing the Project into sections has resulted in bisected impact analysis, without regard to the impacts of neighboring sections.

(9) Failure to Respond to All Significant Points Raised in Comments

The Authority violated CEQA's requirement for detailed responses to comments.[131]

> The written response *shall* describe the disposition of significant environmental issues raised.... [T]he major environmental issues raised when the lead agency's position is at variance with recommendations and objections raised in comments *must be addressed in detail giving reasons why specific comments and suggestions*

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[128] *See San Franciscans for Reasonable Growth, supra*, 151 Cal.App.3d at p. 74; *see also* Exh. T, NOPs for neighboring sections of Project.

[129] *See* B001342-66 [FEIR, Cumulative Impacts chapter pays scant attention to other sections]; *see also* B008339, 49 [Merced County comment 772-11 (bullet 5) and response]. The FEIR adds a conclusory discussion concerning the combined air quality impacts of the two ICS sections – providing minimal recognition of an unanalyzed cumulative impact. *See* B001347 ["Combined with the Fresno to Bakersfield Section and the San Joaquin Valley portion of the San Jose to Merced Section, it is possible that the regional pollutant impacts that were less than significant before mitigation will be significant, requiring further mitigation"].

[130] *See* B008127, 37 [comment 703-10 and response].

[131] § 21091(d)(2); Guidelines § 15088(a).

were not accepted. There must be good faith reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice.[132]

By routinely grouping multiple paragraphs of comments within a single numbered "comment," the Authority glossed over and failed to address a plethora of important points raised in the comments.[133] This approach also thwarted public participation because, typically, a single numbered response supposedly jointly addressed many diverse comments, making it very difficult at times to find corresponding responses. The Authority's responses to public comments do not provide a good faith reasoned analysis to each significant point, as required.

(10) Failure to Recirculate EIR

The Authority failed to recirculate the EIR for public review, despite introducing significant new information. Recirculation is required when the lead agency adds significant new information to the EIR after the public comment period has ended.[134] The recirculated EIR must be subjected to the same "critical evaluation that occurs in the draft stage," to ensure the public has an "opportunity to test, assess, and evaluate the data and make an informed judgment as to the validity of the conclusions to be drawn therefrom."[135]

The FEIR includes significant new information that triggers recirculation – it acknowledges new potentially significant impacts and describes modifications to the Section that will make impacts in several categories substantially worse. For example, cumulative impacts to air quality,[136] significant construction period visual impacts, and other impacts, are

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[132] Guidelines § 15088(c), emphasis added; *see also Santa Clarita Organization for Planning the Environment v. County of Los Angeles* (2003) 106 Cal.App.4th 715, 722-723 (*SCOPE*).

[133] *See, e.g.*, H000567-69, 558-561, 538-48 [FEIR comments criticizing inadequate responses]; *see also* B008375-77, 78 [comment 587-1 and response], 8122-25, 28-31, 34-36, 39-40 [comments 703-3 and 703-16 and responses]. 8232-35, 52 [comment 708-2 and response].

[134] *Save Our Peninsula, supra*, 87 Cal.App.4th at p. 131.

[135] *Ibid.*

[136] *Compare* C001316 [DEIR analysis of cumulative air quality construction impacts *silent* re neighboring sections] *with* B001347 [FEIR revised analysis stating these impacts, when combined with impacts from neighboring sections, will be significant, requiring mitigation].

acknowledged by the Authority for the first time in the FEIR.[137] Section design features first debuted in the FEIR will also result in more severe impacts. For example, the FEIR announces that the Section will substitute concrete slab for ballast along much of the alignment.[138] More concrete slab will substantially increase noise impacts; producing the massive additional volume of concrete for slab structures will also require substantially more water during construction. These newly acknowledged and increased impacts trigger EIR recirculation.[139]

In response to comments, Authority staff proposed including wildlife crossing structures as part of the Section's design.[140] Constructing and maintaining these structures will produce noise, air quality, traffic and other significant impacts (including potentially significant impacts to some biological resources) – none of which were considered in the analysis. These increased impacts also trigger the requirement for recirculation, as do the many secondary significant impacts associated with newly proposed traffic mitigation measures, discussed above, that were first added in the FEIR.[141]

Further, the extensive revisions throughout the FEIR provide an independent basis for recirculation.[142] By so substantially revising the analysis following the comment period, the Authority deprived the public of a meaningful opportunity to comment.[143]

(11) Improper Use of Errata and Addendum to FEIR

The Authority improperly approved an Addendum and two Errata to the FEIR.[144] Under Guidelines, section 15164, an addendum may only be used for a *previously certified* EIR. Because the FEIR had not been certified, the Authority clearly violated CEQA when it approved the addendum.

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[137] *Compare* B001180 [FEIR] *with* B013212 [Errata 1 to FEIR, changed significance determination from less-than-significant to significant].

[138] B000520 [FEIR], 9213 [response to Comment 780-8].

[139] *See* Guidelines § 15088.5.

[140] B000196 [FEIR].

[141] *See* H000582-83; *see also* B000399-400, 402, 408-415 [FEIR].

[142] *See* Guidelines § 15088.5(a)(4) .

[143] *Laurel Heights II, supra*, 6 Cal.4th at p. 1129.

[144] *See* A000004 [Resolutions HSRA # 12-19].

The Authority's approval of the two Errata is even more egregious. One of the so-called "Errata" to the FEIR did not simply correct insubstantial errors to the FEIR, as the document's title suggests, but made significant substantive changes to both the FEIR's analysis and to the recommended mitigation measures.[145] These changes include:

- Deleting Bio-MM#16, a measure that addressed impacts to trees;[146]
- Deleting Bio-MM#62, because it is "[n]o longer required by resource agencies;" [147]
- Deleting Bio-MM#63, because "[m]itigation not necessary to address impact;" [148]
- Deleting all mitigation measures for impacts Bio#9, Bio#19, Bio#29 and Bio#39, which concerned disturbance of special-status fish species and essential fish habitat because these "[i]mpact[s] [were] determined not to be significant;" [149]
- Changing SO-MM#1 and SO-MM#2 into "project design feature[s];" [150] and
- Changing Ag-MM#2 into a "project design feature."[151]

As one commenter noted, given the nature of these major changes to the FEIR's analysis, the Authority was required to recirculate a revised EIR for public comments before it could approve the Section.[152] The Authority board ignored these comments, instead choosing to characterize the major, substantive changes to the FEIR as "errata."

(b) Violation of the Open Meeting Act

The Authority violated the Open Meeting Act by considering and adopting the two Errata to the FEIR and the FEIR Addendum at the final meetings concerning the Section,

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[145] *See generally* B013182-220.

[146] B013196 [Errata]. Commenters criticized this measure. *See* B009201, 18 [comment 780-10 and response], 8607, 19-21 [comment 717-15 and response].

[147] B013198.

[148] *Ibid.*

[149] B013198-201; *but see* 7944-46 [NMFS comment 956-1 and response], 7953-54 [Corps comment 940-3 (#5) and response: "impacts to essential fish habitat during construction are considered ... significant under CEQA"], 7965, 81 [EPA comment 774-6 and response].

[150] B013201-08. Commenters criticized these measures. *See* B008128-31, 39, 82-83 [comments 703-16 and 705-3 and responses revising SO-MM#2], 8109-11, 14-15 [comments 456-11 and 456-12 and responses], 9129, 35 [comment 616-16 and response].

[151] B013208-11. Commenters also criticized this measure. *See* B008610, 22 [comment 717-17 (§(b)) and *no* response].

[152] *See* H000987-91 [Letter to Authority objecting to consideration of Errata and Addendum].

without proper notice. The Open Meeting Act requires all state agencies, including the Authority, to provide at least 10 days notice of every public meeting, with an agenda that describes the items of business to be transacted or discussed: "No item shall be added to the agenda subsequent to the provision of this notice, unless otherwise permitted by [the Act]."[153]

The agenda posted by the Authority for the two final meetings only mentioned the potential certification of the FEIR and approval of the Section, it was silent with respect to the two Errata and the FEIR Addendum.[154] But, as explained in the preceding section, these documents are separate documents from the FEIR – the two Errata contained substantive changes to the FEIR and an Addendum is clearly a separate CEQA document. Thus, the Authority was required to provide notice of its potential approval of these documents at least 10 days before the final meetings, or take required steps to consider them under the narrow emergency exceptions to the requirement.[155] By failing to do so, the Authority failed to adequately inform other agencies and the public of all actions it would take at the final meetings. Indeed, appropriate notice may have prevented approval of these illicit documents.

The remedy for the Authority's clear violation of the Open Meeting Act is to declare the offending actions null and void. "[Government Code] section 11130.3 authorizes the nullification and voidance of an action taken by a state body in violation of the [Act's] notice or open-and-public-meeting requirement," where the action was not in substantial compliance with the requirements and the challenger can show prejudice.[156]

Here, the above actions taken by the Authority at its final meeting were not in substantial compliance with the Act's objective of ensuring open deliberation and open actions.[157] Petitioners, the public, and other agencies were prejudiced by the deficient notice, because they were unable to fully prepare for and address the numerous substantive changes to

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[153] Gov. Code, § 11125(a).

[154] *See* G001294-95 [agenda for final Board meetings, agenda items #1, 2, 9 and 10].

[155] *See* Gov. Code, § 11123(a).

[156] *Regents of University of California v. Superior Court* (1999) 20 Cal.4th 509, 527; *see also North Pacifica LLC v. California Coastal Com'n* (2008) 166 Cal.App.4th 1416, 1433.

[157] Gov. Code, § 11120.

the FEIR contained in the Addendum and the Errata, as well as the impropriety of any Addendum to an uncertified EIR, at the final meetings.

Finally, the importance of not sandbagging the public with the Errata at the final meetings is underscored by the fact that many of the last-minute changes included in the Errata directly ***contradict*** the Authority's own responses to public comments on the DEIR.[158] As such, the offending changes, made without notice, hampered informed public participation.

Thus, Petitioners are likely to prevail on their claim pursuant to the Open Meeting Act for the offending actions to be nullified.

2. The Harm to Petitioners if a Preliminary Injunction Is Denied Outweighs Any Potential Harm to the Authority from Its Issuance.

Where the party seeking a preliminary injunction makes a sufficiently strong showing of likelihood of success on the merits, the Court may issue the injunction even where the applicant cannot show that the balance of harms tips in its favor.[159] Here, the probability of Petitioners prevailing on the merits is so high, as discussed above, that the injunction should issue even were the Court to find that the balance of harms does not tip in their favor. That is an unlikely event, though, as the balance of harms, in fact, tips strongly in Petitioners' favor.

When the harms involved concern degradation of the environment, they are a matter of "significant public concern" which must be given due consideration in weighing the balance of potential interim harms.[160] The balance of the harms consideration weighs further towards granting the preliminary injunction in cases where compensation would not afford adequate

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[158] *See, e.g.*, B008109-11 , 14-15 [comments 456-11 and 456-12 and responses], 8128-31, 37-39 [comments 703-11, 703-12 and 703-16 and responses], 8387-88 [comment 689-1 and response] 9129-30, 34-36 [comments 616-15, 616-16 and 616-24 and responses]; *see also* B007857-58 [Response General-14, referring to Ag-MM#2], 7917-18 [Response Land Use-2, same], 7925 [Response Agriculture-3, same].

[159] *Common Cause of Calif v. Board of Supervisors* (1989) 49 Cal.3d 432, 447; *see also IT Corp. v. County of Imperial* (1983) 35 Cal.3d 63, 69-70; *Butt, supra*, 4 Cal.4th at 677-78.

[160] *Tahoe Keys Property Owners' Assn. v. State Water Resources Control Board* (1994) 23 Cal.App.4th 1459, 1472-1473. Federal courts, which apply a similar standard for injunctions, have held it is undisputed that "environmental injury, by its nature, can seldom be remedied by

relief or where a damages remedy is precluded by law.[161] Here, monetary relief would be completely insufficient to compensate Petitioners and the public for the unnecessary, unmitigated and irreparable interim environmental impacts caused by Section construction.

Taxpayer money wasted by the Authority if the injunction does not issue also cannot be remedied by an award of damages.[162] This additional factor also weighs in favor of a preliminary injunction. Where, as here, a statute expressly provides for injunctive relief, less is needed to show that the harms tip in plaintiff's favor since the statute has already determined that the public's interest in preventing the violation is stronger than the defendant's interest in continuing illegal activities.[163]

(a) Petitioners and the Public Will Suffer Substantial Interim Harm in the Absence of Preliminary Injunctive Relief.

Some of the most productive agricultural resources in the nation, infrastructure owned by counties, cities, utilities, businesses and individuals, public health, the quality of wildlife habitat and the public fisc are being and will be irreparably harmed by implementing the Section. These harms include: (1) unmitigated environmental impacts; (2) immediate and widespread adverse impacts on the regional economy; (3) violations of public interest laws; and (4) ongoing waste of taxpayer money. More specifically, the irreparable interim harm that is occurring and will continue to occur while this lawsuit is pending includes the following:

(1) Adverse and Unmitigated Interim Impacts

Impacts to Agriculture: Construction of CP1, the Section and the rest of the ICS will severely impact local agricultural resources and the regional economy.[164] As discussed above,

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money damages and is often permanent or at least of long duration, i.e. irreparable." *Ibid.*, quoting *Earth Island Inst. v. U.S. Forest Service* (9th Cir. 2003) 351 F.3d 1291, 1298.

[161] *Dept. of Fish and Game v. Anderson-Cottonwood Irr. Dist.* (1992) 8 Cal.App.4th 1554, 1565-66.

[162] *See* Cal. Code of Civ. Proc., § 526a. Under Section 526a, taxpayers may sue to enjoin wasteful expenditures by state agencies. *See Ahlgren v. Carr* (1962) 209 Cal.App.2d 248, 256.

[163] *IT Corp., supra*, 35 Cal.3d at 72.

[164] *See* B009129-30, 34, 36 [comments 616-7 and 616-24 and responses].

the FEIR acknowledges some of these impacts, but downplays them and does not include adequate mitigation to address them. The interim harms to agriculture include:

- Uncertainty in planting and harvesting activities, disrupting agricultural lending and business planning;[165]
- Widespread severance of ROW parcels, leading to decreased crop yields, and consequential economic impacts (for which fair compensation is uncertain), and permanent cessation of agricultural activities on some remnant parcels;[166]
- Adjacent orchards and fields will be harmed by staging yards, construction dust, interference with water supply infrastructure and other nuisance activities;[167]
- Relocating dairies will involve onerous new permitting requirements, substantial disruption and very high costs;[168] and
- Public utilities that deliver water to farms will be impacted by interference with water delivery infrastructure during construction and by permanent road closures.[169]

Many of these impacts occur ***well before*** construction commences – the threat of land acquisition is enough to interfere with crop financing.[170]

Traffic/Air Quality/Noise Impacts: Construction of CP1 and the rest of the ICS will substantially increase the already serious traffic and air quality problems in the area. The Authority's plans for constructing CP1 include many roadway closures and modifications, including relocating a 2.5 mile section of Highway 99 through Fresno.[171] These construction activities will necessarily cause significant disruption to critical transportation infrastructure, worsen air quality in a region that already suffers from some of the worst air pollution in the country and increase noise to levels that can harm sensitive receptors. The FEIR admits some

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[165] *See, e.g.*, Declaration of Sam Curran in Support of Motion ("Curran Declaration"), ¶¶ 4-6.

[166] *Ibid.* The demotion of Ag-MM#2 from an enforceable mitigation measure to an unenforceable "project design feature" exacerbates this interim harm.

[167] *See* B009191-92, 9210 [comment 780-5 and response]; *see also* Declaration of Makram Hanna in Support of Motion ("Hanna Declaration"), ¶¶ 4-6.

[168] *See* B008385-86 [comment 840-1 and response], 8499-500, 12 [comment 706-12 and response].

[169] *See, e.g.*, B008086-88 [comments 550-1 through 550-4 and responses].

[170] Curran Decl., ¶¶ 4-6.

[171] *See* Exhs. J through Q [Task Orders describing relocation of roadways and utility infrastructure]; *see also* Exh. R [Resolution HSRA # 12-23 re relocation of Hwy. 99].

of these impacts will occur, but, except with respect to air quality impacts, it did not study the severity of the impacts, and instead discounted them because they would be temporary.[172]

Final traffic and noise mitigation measures have not been identified or imposed by the Authority. There is no assurance that even the insufficiently described measures for these impacts will be in place when the Authority begins CP1 construction.

(2) Failure To Comply With Public Interest Laws

The legislature enacted CEQA and the Open Meeting Act to maximize protection of the environment and to ensure public participation in state agency decision-making; these laws reflect strong public policy concerns.[173] The EIR is the "heart" of CEQA, indeed an "an environmental 'alarm bell' whose purpose it is to alert the public and its responsible officials to environmental changes before they have reached ecological points of no return" and "before the project has taken on overwhelming 'bureaucratic and financial momentum.'"[174] The courts repeatedly emphasize the importance of the public's role in the CEQA process.[175]

The Open Meeting Act also declares strong public policies: "public agencies exist to aid in the conduct of the people's business ... the proceedings of public agencies [must] be conducted openly so that the public may remain informed."[176]

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[172] *See* B000275, fn. 2 [defending curtailed traffic impact analysis], 293, 299-303 [conclusory dismissal of significant construction traffic impacts], 463-464, 470, 502 [construction air quality impacts identified as significant, but would be reduced by vaguely defined mitigation measures]; *see also* B000537 [dismissal of significant noise impacts from relocating UPRR tracks], 553, 568-569 [list of optional mitigation measures for construction noise impacts].

[173] See, e.g., Pub. Res. Code § 21000-21003; *see also* Gov. Code § 11120.

[174] *County of Inyo*, *supra*, 32 Cal.App.3d at p. 810; *Vineyard*, *supra*, 40 Cal.4th at p. 441, quoting *Laurel Heights I*, *supra*, 47 Cal.3d at p. 395.

[175] *See, e.g., Laurel Heights I*, *supra*, 47 Cal.3d at p. 392; *Protect The Historic Amador Waterways v. Amador Water Agency* (2004) 116 Cal.App.4th 1099, 1106 [failure to comply with the law subverts CEQA's purposes if it prevents informed decisionmaking and informed public participation. Case law is clear that, in such cases, the error is prejudicial"], quoting *County of Amador v. El Dorado County Water Agency* (1999) 76 Cal.App.4th 931, 946.

[176] Gov. Code § 11120 [the statute further explains the policies as follows: "The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created"].

The Petitioners and the public are being irreparably harmed by actions that prevent proper public participation and responsible decision-making, in violation of these important public interest laws. By rushing to implement the approvals for the Section before this case is decided, bureaucratic and financial "momentum [for the approved Section alignment] will build" and "consideration of alternative[s] ... or additional mitigation measures, ... will be prejudiced" because the project "will have proceded well beyond the planning stages."[177]

(3) Economic Impacts

CP1, the ICS, the Section and the Project as a whole will adversely affect the largely agriculturally based economy of the entire region. Increased traffic, noise, pollution and nuisances, and decreased east-west mobility, will adversely affect not only agriculture, but the quality of life that draws farmers, businesses and visitors to the Valley.[178] While the Authority claims that implementing the ICS will bring much needed jobs to the region, the bulk of the consulting, engineering and construction jobs will be performed by employees of large companies from outside the region, and will be temporary in nature.

(4) Ongoing Waste of Taxpayer Funds

The Authority's drive to implement the Section approvals in the face of serious meritorious legal challenges is reckless. In order to make use of allocated federal stimulus funds, the Authority is rushing to spend vast amounts of taxpayer money during this period of government fiscal austerity. The Authority has spent and will continue to spend millions of dollars each month to fund land surveys and engineering design services provided by outside consultants to implement the approved – but challenged – Section.[179] Hundreds of millions more dollars will be spent, starting in early 2013, acquiring parcels along the ROW.[180] The

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[177] *See San Joaquin Raptor I, supra*, 27 Cal.App.4th at p. 742.

[178] *See* B009129-30 [comments 616-7 and 616-24 re economic multiplier effects and responses], 8493-94 [comment 706-8 and response].

[179] *See* Exh. U, AECOM's May 2012 Monthly Status Report, pp. 4-5.

[180] The Revised 2012 Business Plan called for the adoption of an ROW Acquisition Plan to mitigate the risk of escalating costs, but the ROW Acquisition Plan for the Section is silent with respect to a budget and anticipated costs. *See* F146913-14 [Revised 2012 Business Plan]; *see*

Authority is reaching agreements with local jurisdictions for relocating roadways and infrastructure that will cost billions of dollars.[181] Construction of the track and stations will cost billions more. As the Authority enters into construction contracts for CP1 and master agreements with local agencies, and as it spends vasts amounts of public money to carry out the challenged Section approvals, it will be ever more committed to the alignment it has already approved based on a critically deficient FEIR. More public money will be at risk every day the Authority continues to implement the Section approvals. These are precisely the types of major commitments to the challenged Section that should not be made and must be enjoined.

(b) Respondents Will Not Be Unduly Harmed by a Preliminary Injunction.

If the Court grants the injunction, Section-related activities will be delayed by at least several months. If the Court imposes a preliminary injunction but then ultimately rules for Respondent in this litigation, it would lift the injunction, allowing Respondent to resume the prohibited implementation activities and receive federal reimbursement for its expenditures through sometime in 2017.[182] While delay in Section implementation could reduce the amount of federal reimbursement, this loss is not inevitable – indeed, Respondents could potentially accelerate these planned activities to make up for lost time.

Moreover, the availability of matching federal funds through September 2017 does not mean that the Authority should expend these federal funds, especially in the reckless way they have been proceeding. When a private project has been challenged on CEQA grounds, developers must halt project activity until the lawsuit is resolved, even in the absence of a preliminary injunction, if they want to avoid the risk of loss.[183] Here, this substantial risk of

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also Exh. G. The Scope of Work for the RFP excludes ROW property negotiation and acquisition. *See* Exh. E, p. 9.

[181] Exhs. I through Q [Task Orders and summary table].

[182] Federal bond funds assigned to the ICS will be available for the Authority to spend until September 30, 2017. *See* Exh. A, p. 2-108; *see also* Exh. B, pp. 7-8.

[183] § 21167.3(b); *See, e.g., Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1203 [developers proceeded at their own risk when relying on contested project approvals during the pendency of litigation], citing Guidelines § 15233(b).

loss is on the already economically stressed taxpayers, yet the Authority is disregarding it entirely, and risking the waste of billions of dollars of taxpayers' money.

C. The Court Should Waive Bond or Impose Only a Nominal Bond.

Petitioners respectfully request that the Court waive the bond requirement, to the extent it may apply to the non-public agency Petitioners,[184] or, in the alternative, require only a nominal bond pursuant to its discretion granted in Code of Civil Procedure Section 529.[185] The trial court's function in determining the sufficiency of a bond or undertaking "is to estimate the harmful effect that the preliminary injunction is likely to have on the restrained party, and to set the undertaking at that sum." As explained above, here, Respondents would suffer either no or minimal financial harm should the injunction be granted and, thus, a bond waiver or a nominal bond is warranted on this ground alone.

The fact that Petitioners' claims seek to protect the environment further supports this request. Federal courts have consistently held that no injunction bond, or at most only a nominal bond, should be imposed in environmental litigation, even where an enjoined defendant may suffer substantial economic loss as a result of the injunction.[186] This federal authority is grounded on two primary principles: (1) the public interest in preserving the environment pending a hearing on the merits can be more significant than the defendant's economic interest and (2) any substantial bond requirement could "effectively deny access to judicial review" or "close the courthouse door in public interest litigation by imposing a burdensome security requirement on plaintiffs who otherwise have standing" to raise an environmental challenge.[187]

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[184] Public agency plaintiffs, such as the County and CWD, are not required to post an undertaking in order to obtain an injunction. *See* Code of Civ. Proc. §§ 529(b)(4), 995.220.

[185] *See Conover v. Hall* (1974) 11 Cal.3d 842, 851 [courts have discretion to dispense with bond requirements].

[186] *See, e.g., People ex rel. Van De Kamp v. Tahoe Regional Planning Agency* (9th Cir.1985) 766 F.2d 1319, 1325-1326 [upholding decision to not require any bond]; *Friends of the Earth, Inc. v. Brinegar* (9th Cir.1975) 518 F.2d 322, 323 [substantially reducing bond requirement].)

[187] *See ibid.*; *see also Save Strawberry Canyon v. Dept. of Energy* (N.D. Cal. 2009) 613 F.Supp.2d 1177, 1191; *see also Mangini v. J.G. Durand Intn'l* (1994) 31 Cal.App.4th 214, 218.

In *Mangini v. J.G. Durand*, the court found it appropriate to follow federal cases allowing a bond waiver or nominal bond in environmental cases in which a bond would effectively "deny access to judicial review."[188] In *Mangini*, the Court denied the waiver because the plaintiff there was a for-profit entity that would suffer no appreciable financial hardship from posting bond. Here, however, the Madera FB, Merced FB and POH are all nonprofit corporations with limited financial resources and Fagundes Parties, a representative farming family in the case for many others similarly situated, should not be asked to post a bond. The imposition of a substantial bond on most of the Petitioners' in this case would effectively deny access to judicial review of Respondents' actions.

D. Alternatively, a Stay Should Issue.

Quasi-adjudicatory agency actions are reviewed by administrative mandate pursuant to Code of Civil Procedure section 1094.5 and quasi-legislative acts are reviewed by traditional mandate pursuant to CCP section 1085.[189] The Authority's actions with respect to the Section could be considered quasi-adjudicatory within the parameters of section 1094.5 because they concerned the application of laws and policies to a set of facts. On the other hand, because the Authority was not required by law to hold a public hearing prior to approving the Section, the actions may be considered quasi-legislative.[190] Petitioners' primary Motion and alternative Application follow from these interpretations. If the Court determines that the actions were quasi-adjudicatory subject to administrative mandate, then a stay, rather than an injunction, would be the proper alternative form of interim relief.

Section 1094.5(g) presumes the appropriateness of a stay "of the operation of the administrative order or decision... [unless] the court is satisfied that it is against the public interest." This language confers a rebuttable presumption that a stay should issue. Such stays are common in land use litigation. Section 1094.5(g) does not require a showing that the petitioner will likely prevail on the merits or a balancing of hardships – instead, a Court should

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[188] *Mangini*, *supra*, 31 Cal.App.4th at pp. 217-220 [pointing out two prior published decisions adopting federal rule that were subsequently ordered depublished by Supreme Court].

[189] *Western States Petroleum Assn v. Superior Court* (1995) 9 Cal.4th 559, 566-567.

deny a stay only where it determines that a stay is against the public interest. Thus, the criteria for a stay under Code of Civil Procedure, section 1094.5(g), are less stringent than the criteria for a preliminary injunction under Code of Civil Procedure, sections 525-527.

Here, despite its length and complexity, the FEIR in this case is a "mass of flaws," akin to those in cases where a stay has been granted.[191] A stay would not be against the public interest – on the contrary, a stay would avoid the irreparable harm to the public that would otherwise occur. Thus, Petitioners alternatively request a stay of the Authority's approvals under Code of Civil Procedure section 1094.5, and other appropriate remedies.

IV. CONCLUSION

For the foregoing reasons, Petitioners respectfully request that the Court grant this motion, and enjoin Respondents from taking any actions to implement the Section of the Project until the case can be heard and decided on its merits.

Dated: October 3, 2012

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By _____
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[190] *See* Guidelines § 15087(i).

[191] *See, e.g., San Joaquin Raptor I, supra*, 27 Cal.App.4th at 741.

EXHIBIT 1

CEB

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PRACTICE UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Second Edition

March 2012 Update

Filing Instructions

This packet contains replacement pages to be interleafed in the main text, including complete replacements of chapters 1 and the Tables and Index sections. The Glossary and Directory have been eliminated and the information has been incorporated into the text; please discard the tabs and text for them. Previous updates were published in February 2009, January 2010, and January 2011.

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12

Project Description, Setting, and Baseline

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___ Include reasonably foreseeable activities associated with the project (see §§12.9-12.10); and

___ Be consistent throughout the EIR (see §12.11).

To comply with the technical and formal requirements of 14 Cal Code Regs §15124, a project description must include:

___ The precise location and boundaries of the proposed project (see §12.12);

___ A detailed map, preferably topographical, and a map showing the project's location in a regional perspective (see §12.12);

___ A statement of project objectives (see §12.13);

___ A general description of the project's technical, economic, and environmental characteristics (see §12.14); and

___ A statement describing the intended uses of the EIR, including:

  ___ A list of agencies expected to use the EIR (see §12.15); and

  ___ A list of approvals for which the EIR will be used (see §12.15).

F. Adequacy Requirements for Project Description

§12.7 1. Description Must Be Accurate

The project description must be accurate. *County of Inyo v City of Los Angeles* (1977) 71 CA3d 185, 199, 139 CR 396. An accurate description is necessary to determine the scope of environmental review. In *County of Inyo,* the court noted (71 CA3d at 192):

> Only through an accurate view of the project may affected outsiders and public decision-makers balance the proposal's benefit against its environmental cost, consider mitigation measures, assess the advantage of terminating the proposal (i.e., the "no project" alternative) and weigh other alternatives in the balance. An accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient EIR.

The adequacy of an EIR's project description is closely linked to the adequacy of the EIR's analysis of the project's environmental effects. If the description is inadequate because it fails to discuss the complete project, the environmental analysis will probably reflect

the same mistake. See *Laurel Heights Improvement Ass'n v Regents of Univ. of Cal.* (1988) 47 C3d 376, 253 CR 426 (EIR failed to describe or analyze project accurately). For example, in *San Joaquin Raptor Rescue Ctr. v County of Merced* (2007) 149 CA4th 645, 57 CR3d 663, an EIR alternately indicated that a mining expansion project would and would not substantially increase annual production capacity. This shifting project description affected the EIR's analysis, because the EIR did not evaluate the impact of higher production levels. 149 CA4th at 656. Similarly, in *Communities for a Better Env't v City of Richmond* (2010) 184 CA4th 70, 80, 108 CR3d 478, an EIR contained conflicting statements about whether an oil refinery expansion would substantially increase the production of higher-sulfur crude oil types at the refinery. The court held that, as a result, the EIR failed to provide an accurate analysis of project impacts. See also *San Joaquin Raptor/Wildlife Rescue Ctr. v County of Stanislaus* (1994) 27 CA4th 713, 32 CR2d 704.

§12.8 2. Description Must Include All Components of Project

The entire project being proposed for approval (and not some smaller aspect of it) must be described in the EIR. A complete project description is necessary to ensure that all of the project's environmental impacts are considered. *City of Santee v County of San Diego* (1989) 214 CA3d 1438, 1450, 263 CR 340. A lead agency may not split a single large project into small pieces so as to avoid environmental review of the entire project. *Orinda Ass'n v Board of Supervisors* (1986) 182 CA3d 1145, 1171, 227 CR 688.

EIR project descriptions have been rejected as inadequate because the court concluded that the EIR attempted to limit the scope of environmental review by artificially narrowing the project description, thus minimizing the project's impacts and undercutting public review. Courts have held EIRs to be inadequate because the project was too narrowly defined in cases such as:

- An EIR for county detention facilities that understated the likely duration of temporary detention facilities, thus minimizing traffic and other impacts. See *City of Santee v County of San Diego, supra.*
- An EIR for a university medical center that failed to describe

accurately, or to analyze fully, the impacts of moving laboratories to an existing building. The EIR described the project as occupying only part of the building even though the university had already decided to occupy the entire facility. See *Laurel Heights Improvement Ass'n v Regents of Univ. of Cal.* (1988) 47 C3d 376, 253 CR 426.

- An EIR for a housing project that did not include construction of sewer lines and expansion of a wastewater treatment plant designed to serve the project. *San Joaquin Raptor/Wildlife Rescue Ctr. v County of Stanislaus* (1994) 27 CA4th 713, 32 CR2d 704.
- An EIR for a city general plan amendment and rezoning that failed to describe or analyze the impacts of development that would follow annexation to the city. See *Rural Land Owners Ass'n v City Council* (1983) 143 CA3d 1013, 1024, 192 CR 325.
- A revised EIR for a water export plan that failed to describe or analyze surface water impacts. See *County of Inyo v City of Los Angeles* (1981) 124 CA3d 1, 7, 177 CR 479.
- An EIR for a sand and gravel mine that failed to describe or analyze the construction of water pipelines to serve the mine, when they were an integral part of the project. See *Santiago County Water Dist. v County of Orange* (1981) 118 CA3d 818, 830, 173 CR 602.
- An EIR for oil facilities that failed to analyze the impact of pipelines to service the facilities. See *Whitman v Board of Supervisors* (1979) 88 CA3d 397, 151 CR 866.
- An EIR for water export that failed to describe or to analyze groundwater exports and instead sought to characterize expanding groundwater exports as a separate, ongoing project. See *County of Inyo v City of Los Angeles* (1977) 71 CA3d 185, 193, 139 CR 396.

A proposal that is related to a project but has independent utility and is not necessary for the project to proceed need not be included as part of the project description and may be reviewed in its own EIR, as a separate project. *Communities for a Better Env't v City of Richmond* (2010) 184 CA4th 70, 108 CR3d 478. See also *Planning*

& Conserv. League v Castaic Lake Water Agency (2009) 180 CA4th 210, 237, 103 CR3d 124; *Del Mar Terrace Conservancy, Inc. v City Council* (1992) 10 CA4th 712, 736, 12 CR2d 785.

Although an EIR must examine the impacts of utilities and other infrastructure to be constructed to serve the project, it need not examine the impacts of facilities that are planned independently of the project. In *Anderson First Coalition v City of Anderson* (2005) 130 CA4th 1173, 30 CR3d 738, the court rejected arguments that an EIR on a commercial project improperly "segmented" the project because it did not evaluate, as a component of the project, interchange improvements required to mitigate cumulative traffic impacts. The interchange improvements were based on the cumulative impacts of several projects, would service the entire surrounding area, and would not change the scope or nature of the project.

Similarly, in *Towards Responsibility in Planning v City Council* (1988) 200 CA3d 671, 246 CR 317, the petitioner argued that an EIR should have evaluated the environmental impacts of the expansion of a wastewater treatment plant designed to serve the project area. Noting that the size and nature of any plant expansion was within the control of a separate agency, the court concluded that it would be unreasonable to expect the EIR "to produce detailed information about the environmental impacts of a future regional facility whose scope is uncertain and which will in any case be subject to its own environmental review." 200 CA3d at 681.

When a project will be implemented in phases, the EIR is not deficient simply because the description of future approvals is not precisely defined. Thus in *Sierra Club v City of Orange* (2008) 163 CA4th 523, 533, 78 CR3d 1, the court upheld the EIR's description of the project even though it did not precisely define what areas the city would annex in the future. The project site, the project boundary, and the city's sphere of influence were fully described, but the EIR noted that the city had not yet determined the boundaries of the area to be annexed because the city would later decide what parts of the project's open space would remain within the county. The court upheld the EIR's project description, reasoning that agencies are not required to grant a blanket approval of the entire project described in the EIR and have the flexibility to approve the portion of the project that satisfies their environmental concerns.

A different situation is presented when an activity is proposed and designed as a component of the project studied in the EIR,

but it will have to be approved by another agency. In such a situation, the EIR on the main project should examine all components necessary to the project, including those that will have to be approved by the other agency acting as a responsible agency. See *Riverwatch v County of San Diego* (1999) 76 CA4th 1428, 91 CR2d 322 (EIR for mining project contained all necessary information for state highway widening to mitigate project impacts as component of mining project). See also *Santiago County Water Dist. v County of Orange* (1981) 118 CA3d 818, 830, 173 CR 602.

In *National Parks & Conserv. Ass'n v County of Riverside* (1996) 42 CA4th 1505, 50 CR2d 339, the court rejected claims that an EIR for a regional solid waste landfill was required to include solid waste transfer stations that would sort, recycle, and compact the solid waste before sending it to the landfill, holding that the transfer stations were not critical elements of the landfill project. 42 CA4th at 1519. Citing *No Oil, Inc. v City of Los Angeles* (1987) 196 CA3d 223, 236, 242 CR 37, the court stated generally that discussion of a support facility for a project is not required in the EIR for that project if (1) "obtaining more detailed useful information is not meaningfully possible" when the project EIR is prepared and (2) "it is not necessary to have such additional information at an earlier stage" in deciding whether to proceed with the project in question. *National Parks & Conserv. Ass'n*, 42 CA4th at 1518. Applying the first test, the court ruled that obtaining more information on the transfer stations was not meaningfully possible because the location of the facilities was not known and thus potential impacts at such sites could not be evaluated in the landfill EIR. 42 CA4th at 1519. Applying the second test, the court ruled that additional information about the transfer stations was not necessary for the decision on the landfill because the transfer stations would not change the scope or nature of the landfill project. 42 CA4th at 1520.

An agency may, however, elect to complete a single EIR for separate projects when there is a reasonable basis for doing so, and combining the separate projects for review will not lead to confusion. In *Neighbors of Cavitt Ranch v County of Placer* (2003) 106 CA4th 1092, 131 CR2d 379, the county had prepared a single EIR evaluating a low-density residential development on one part of the property, and a new church on another part, following submittal of a single application for the two proposals. The county later decided to consider the proposals as independent projects, and separately certified the

EIR for each project. Opponents of the church argued that the county violated CEQA by including two projects in a single EIR and certifying the same EIR twice. The court ruled that, in the absence of a showing that such a procedure would lead to confusion, CEQA does not prohibit the inclusion of distinct projects requiring different governmental approvals in a single EIR. 106 CA4th at 1103.

3. Description Must Include Future Phases of Project That Are Consequence of Project Approval

§12.9 a. Description Must Include Foreseeable Future Activities That Are Consequence of Project Approval

A project description must include all relevant parts of a project, including reasonably foreseeable future expansion or other activities that are part of the project. *Laurel Heights Improvement Ass'n v Regents of Univ. of Cal.* (1988) 47 C3d 376, 253 CR 426. See §12.10. See also 14 Cal Code Regs §15126 (EIR's impact analysis must consider all phases of project). In *Laurel Heights,* the court set forth the standards for determining whether reasonably foreseeable future activities must be included in an EIR project description and for determining whether the impacts of those activities must be analyzed in the EIR. The court established a two-pronged test (47 C3d at 396, 253 CR at 433):

> We hold that an EIR must include an analysis of the environmental effects of future expansion or other action if: (1) it is a reasonably foreseeable consequence of the initial project; and (2) the future expansion or action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects.

In *Laurel Heights,* the University of California planned to transfer medical laboratories to an office building in a residential neighborhood. Initially, the laboratories were to occupy 100,000 square feet of a 354,000-square-foot building. The University claimed that it had not formally decided to occupy the entire building, but the court noted that statements by the chancellor in the final EIR, public releases in newsletters, public meeting minutes, and private correspondence all indicated the University's intent to occupy the entire building when another agency's lease expired in several years. Ac-

simply to list those approvals rather than to discuss them in detail. *Native Sun/Lyon Communities v City of Escondido* (1993) 15 CA4th 892, 909, 19 CR2d 344. In *Native Sun*, an unusual case arising out of a developer's challenge to a project denial and related claims that an adequate EIR was not prepared in connection with the project denial, the court held that the EIR need not discuss a development agreement in detail as part of the project description. Instead, it was sufficient simply to list the development agreement as an approval.

PRACTICE TIP➤ The list of project approvals should be as broad as possible. The list should contain a catchall provision explaining that the purpose of the EIR is to analyze the development or activity and that the EIR is intended to apply to all listed project approvals as well as to any other approvals necessary or desirable to implement the project. If a future approval is clearly part of the project that was analyzed in the EIR, a lead or responsible agency's decision that no subsequent EIR is required will be upheld as long as that decision is supported by substantial evidence. See chap 19.

§12.16 III. ENVIRONMENTAL SETTING AND BASELINE

An EIR must describe existing environmental conditions in the vicinity of the proposed project, which is referred to as the "environmental setting" for the project. 14 Cal Code Regs §15125. See §§12.17-12.18. This description of existing environmental conditions serves as the "baseline" for measuring the changes to the environment that will result from the project and for determining whether those environmental effects are significant. 14 Cal Code Regs §§15125, 15126.2(a). See §§12.19-12.26.

§12.17 A. Legal Requirements for Setting Discussion

An EIR must describe the environmental setting for the project, which is made up of "the physical environmental conditions in the vicinity of the project" viewed from "a local and regional perspective." 14 Cal Code Regs §15125(a), (c). Environmental conditions must be described as they exist when the notice of preparation is published or, if a notice of preparation has not been published, at the time the environmental analysis begins. 14 Cal Code Regs §15125(a). These existing physical conditions "will normally consti-

tute the baseline physical conditions by which a lead agency determines whether an impact is significant." 14 Cal Code Regs §15125(a). See *Communities for a Better Env't v South Coast Air Quality Mgmt. Dist.* (2010) 48 C4th 310, 320, 106 CR3d 502.

An EIR's description of this environmental setting should be sufficiently comprehensive to allow the project's significant impacts "to be considered in the full environmental context." 14 Cal Code Regs §15125(c). The description should, however, be no longer than necessary to provide an understanding of the significant effects of the project and of the alternatives analyzed in the EIR. 14 Cal Code Regs §15125(a). The description should place special emphasis on environmental resources that are rare or unique to the region and that would be affected by the project. 14 Cal Code Regs §15125(c).

A description of important environmental resources that will be adversely affected by the project is critical to a legally adequate discussion of the environmental setting. Thus, in *San Joaquin Raptor/ Wildlife Rescue Ctr. v County of Stanislaus* (1994) 27 CA4th 713, 32 CR2d 704, the court found an EIR's description of the environmental setting deficient because it did not disclose the specific location and extent of riparian habitat adjacent to the property, inadequately investigated the possibility of wetlands on the site, understated the significance of the project's location adjacent to a river, and failed to discuss a nearby wildlife preserve. Similarly, the court in *Galante Vineyards v Monterey Peninsula Water Mgmt. Dist.* (1997) 60 CA4th 1109, 1122, 71 CR2d 1, found that a generalized reference to adjacent vineyards that could be affected by the project was an inadequate description of the environmental setting. See also *County of Amador v El Dorado County Water Agency* (1999) 76 CA4th 931, 955, 91 CR2d 66 (description of environmental setting should be sufficiently clear to allow informed comparison of preproject and postproject conditions).

Specific information about particular characteristics of the environmental setting may be required when necessary to determine the significance of an impact. In *Cadiz Land Co. v Rail Cycle* (2000) 83 CA4th 74, 94, 99 CR2d 378, the court rejected the EIR's description of the environmental setting for a landfill project because it did not quantify the volume of water in the aquifer underlying the site. The court ruled that this information was critical to a full understanding of the significance of potential contamination on a valuable resource.

These court decisions underscore the importance of the EIR's

description of the environmental setting as the starting point for the impact analysis. It should not be taken to mean, however, that the description of the environmental setting must be as comprehensive and detailed as the impact analysis. The emphasis should be placed on sensitive environmental resources on the project site as well as on those nearby that might be adversely affected by the project. Other characteristics of the environmental setting in the area need be discussed only to the extent necessary to understand the significant effects of the project and its alternatives. 14 Cal Code Regs §15125(a), (c). See also *California Oak Found. v Regents of Univ. of Cal.* (2010) 188 CA4th 227, 263, 115 CR3d 631 (rejecting claim that analysis of baseline conditions relating to earthquake fault were inadequate because EIR did not include copy of supporting fault rupture study then in progress). But see *Friends of the Eel River v Sonoma County Water Agency* (2003) 108 CA4th 859, 874, 134 CR2d 322 (referring to omission of potential effects of related proposed future project as incomplete description of environmental setting). For examples of adequate discussions of the environmental setting, practitioners should review *Cadiz Land Co. v Rail Cycle, supra,* in which the court considered the environmental setting description in several different parts of the EIR. Although the court rejected the description of the groundwater setting, as discussed above, the court upheld other descriptions of the environmental setting. For example, the court distinguished *Galante Vineyards* in holding that the EIR adequately described nearby agricultural lands, including the location of those lands and their distance from the project site. 83 CA4th at 90. The *Cadiz* court also upheld the discussion of the geologic setting, which was based on expert geologic studies, mapping, and reports. 83 CA4th at 99. The fact that other experts disagreed with this assessment did not render the description of the setting inadequate, under the general rule that the existence of differing opinions is not grounds for ruling that an EIR is inadequate. 83 CA4th at 104.

PRACTICE TIP➤ The level of analysis for the discussion of the environmental setting should be keyed to the level of analysis required for the relevant project impacts. For example, if an impact must be quantified to determine whether it is significant, it may be desirable for the EIR to include the same type of data in its description of the existing setting. Conversely, if

a general discussion of an environmental impact is sufficient, a general description of the environmental setting should be appropriate. When a quantified analysis is required, an EIR may include the quantified baseline information in the sections of the EIR that evaluate the impact rather than in the discussion of the environmental setting.

§12.18 B. Format for Describing Environmental Setting

The CEQA Guidelines specify no format or location for the EIR's discussion of environmental setting. See 14 Cal Code Regs §15125. In most EIRs, the environmental setting is discussed separately for each category of environmental impact. Thus, there are often separate descriptions of the environmental setting in the EIR sections on, *e.g.,* land use, traffic, and noise. To meet the requirement that the setting be described from both a local and a regional perspective (14 Cal Code Regs §15125), some EIRs use subheadings, such as "Local Setting" and "Regional Setting" in these sections. Also, some EIRs include general information on the local and regional setting as part of a combined chapter with the project description and then include more detailed setting information as needed to establish the baseline for a particular impact in the same section of the EIR as the impact analysis. A summary description of the existing environmental setting in the body of the EIR is sufficient when the underlying data and analysis are contained in an appendix to the EIR. *Sierra Club v City of Orange* (2008) 163 CA4th 523, 540, 78 CR3d 1.

C. Determination of the Baseline

§12.19 1. General Rule: Existing Physical Conditions

In determining whether a project's impacts are significant, an EIR ordinarily compares those impacts with preproject environmental conditions, which are referred to as the "baseline" for the impact analysis. *Communities for a Better Env't v South Coast Air Quality Mgmt. Dist.* (2010) 48 C4th 310, 106 CR3d 502. The provisions of the CEQA Guidelines on setting the environmental baseline are included in the guideline governing the environmental setting (14 Cal Code Regs §15125(a)) and the guideline governing analysis

PROOF OF SERVICE - C.C.P. §§1011 - 1013a

I, the undersigned, declare: I am employed in the County of Alameda, State of California. I am over the age of 18 and not a party to the within action. I am employed by Fitzgerald Abbott & Beardsley LLP, located at 1221 Broadway, 21st Floor, Oakland, CA 94612. I am readily familiar with this firm's business practice of processing of documents for service.

On **October 3, 2012**, I served a true and correct copy of the following document(s):

***CORRECTED* MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION AND ALTERNATIVE APPLICATION FOR ADMINISTRATIVE STAY**

on all the following interested parties, by causing service by the method indicated below:

Kamala D. Harris **Daniel L. Siegel** **James W. Andrew** **Danae J. Aitchison** **Jessica E. Tucker-Mohl** **Office of the California Attorney General** **1300 I Street, 15th Floor** **Sacramento, California 95814** **Telephone: 916-323-1722** **Facsimile: 916-327-2319** **Email: James.Andrew@doj.ca.gov;** **Danae.Aitchison@doj.ca.gov;** **Jessica.TuckerMohl@doj.ca.gov** ***Attorney for Respondent / Defendant California High Speed Rail Authority***	**James G. Moose** **Sabrina V. Teller** **Remy Moose Manley, LLP** **455 Capitol Mall, Suite 210** **Sacramento, California 95814** **Telephone: 916-443-2745** **Facsimile: 916-443-9017** **Email: jmoose@rmmenvirolaw.com;** **steller@rmmenvirolaw.com** ***Attorney for Respondent / Defendant California High Speed Rail Authority***

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	U.S. Mail - By placing a copy of said document(s) in a sealed envelope with postage thereon fully prepaid, and depositing said envelope with the U.S. Postal Service, following this firm's business practices.
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I declare under the penalty of perjury under laws of the State of California that the foregoing is true and correct. Executed on **October 3, 2012**, at Oakland, California.

Alleen N. Hodgkin

Subcommittee on Railroads, Pipelines, and Hazardous Materials

Field Hearing in Madera, CA titled "Oversight of California High Speed Rail."

May 28, 2013

Statement of Louis S. Thompson

Mr. Chairman and Members of the Subcommittee, my name is Louis S. (Lou) Thompson, Chairman of the California High-Speed Rail Peer Review Group. I am happy to appear at your invitation and hope that the experience and work of the Peer Review Group (the Group) will be useful to you in your deliberations on this important topic.

The role of the Group is established in State law. When the voters approved the Proposition 1A bond measure in 2006, the State Legislature passed AB3034 that required that "the Authority shall establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's plans and issuing an analysis of the appropriateness and the accuracy of the authority's assumptions and an analysis of the viability of the authority's financing plan, including the funding plan for each corridor required pursuant to subdivision (b) of Section 2704.08 of the Streets and Highways Code." The law provides for eight members, of which there are five currently serving. The members are appointed by various State authorities including the Secretary of the Business, Transportation and Housing Agency, the Director of Finance, the State Treasurer and the State Controller. The law requires that the Group members possess various types of experience including finance, planning and construction of high-speed rail, environmental issues and operation of intercity or commuter passenger train service. The Group began its work in 2009.

The members of the group have very wide experience in transportation planning, project planning and management, and operation of rail passenger services at various levels, including high-speed rail. The Group's members have not attempted to analyze all the details of the Authority's designs or plans. Instead, we have focused on broader policy, financial and economic issues where our expertise may have most value.

The Group reports directly to the Legislature. Members of the Group are not State employees. The Group has no staff or budget and members receive no compensation other than expenses for travel, food and lodging. We have attempted to meet monthly by phone and quarterly in person and we have met from time to time with Members of the Legislature, legislative staff, the Legislative Analyst's (LAO) staff and the GAO. We have also held a number of meetings with the Authority and with Authority staff and have developed an effective working relationship. The Group has issued a number of reports or letters, all of which have been posted to the Group's website at www.cahsrprg.com. The website also includes all responses to questions we have posed to the Authority.

The Group has consistently maintained that we support the concept of high-speed rail in California, although we have had, and continue to have, a number of concerns about the project. Our objective in expressing these concerns, which we believe is in accord with the purposes of the Act, is first to strengthen the project and second to ensure that the Legislature and the public fully understand and accept the risks as well as the benefits of the project. Our experience has been that the better a project is understood at the beginning, the better it will be able to weather the inevitable problems that occur along the course of planning, construction and operation. Over the course of our work, we have raised a number of questions that I will discuss below, along with the status as of today in their resolution.

Source of Complete Project Funding

As of today, the project can count on around $3 billion in Federal American Recovery and Reinvestment Act of 2009 (ARRA) grant funding and $9 billion in State bonds. Although President Obama has announced a program for future Federal funding for high-speed rail of up to $50 billion, Congress has yet to approve such a program and prospects for passage in the near term are not clear. Even if California received this entire amount, the total cost of the project could not be covered. As a consequence, funding for the project beyond the Central Valley segment and the work between San Jose and San Francisco and in the Los Angeles area is not available from any existing source.

Governor Brown has argued that any shortfall in Federal funding can be covered from the State's carbon trading program, which would in total generate enough funding to pay for at least a major part of the project if allocated for this purpose. The 2000 Business Plan for the Authority suggested an 0.25% sales tax to pay for the entire project. By rough calculation, a fuel tax of around 25 cents/gallon would also raise adequate funding.

We do not advocate or oppose any of these measures. The point is that, when the Central Valley segment is complete and the Authority turns to construction from Bakersfield to the Palmdale, one or more of these sources (or others) will need to be developed.

Risk of an Incomplete Project

If, for whatever reason, the project stalls after the completion of the Central Valley segment, the State would be left with an investment of limited value. The line would not be electrified and would not permit testing of high-speed trains. It would permit a reduction in the schedule time of the Amtrak San Joaquin trains from Sacramento to Bakersfield but this would benefit approximately one million passengers per year.

The Group recommended that the Authority shift some of the initial money from the Central Valley to the two end segments (the "bookends") because the immediate benefits would accrue to 25 million passenger annually and would constitute a continuing benefit even if the project stalled at the end of the Central Valley segment. The Authority's response in its Revised 2012

Business Plan was to include an additional $1 billion to use on the "bookends," an approach that we believe significantly strengthened the overall value of the project by generating greater benefits more quickly and by reducing the risk of completing only a stranded segment.

Planning Context

The early development of the California high-speed rail project put the cart before the horse. Instead of having high-speed rail emerge from a state-wide transportation context considering intercity competition and urban connections, the high-speed rail proposals were essentially free-standing with little recognition of the need for access to stations or connectivity to conventional and commuter rail. As a result, the demand forecast models assumed access times and costs that were not embedded in the actual plans of the State or local communities to improve access.

The State recently updated its State Rail Plan to better integrate high-speed rail into the State's highway, air, conventional rail and various urban rail and bus system. This is a step in the right direction but more may need to be done, especially in integrating high-speed rail station access and development into the urban areas around the stations.

Phasing and Blending

In its initial Business Plans, the Authority did not clearly define the sequence of phases to be undertaken, leaving open the question of whether the first step beyond the Central Valley would be to the south or to the north. In the Revised 2012 Business Plan, the Authority plans to complete the link to the south first, a decision that will also have the benefit of filling the major remaining gap in rail passenger service from Sacramento and San Francisco to Los Angeles.

In addition, the Authority had continued to plan for a four-track, separated alignment from San Jose to San Francisco and from Los Angeles to Anaheim, an approach that had generated adamant local opposition as well as increasing the project's cost. In response to an inquiry from then State Senator Joe Simitian, State Assemblyman Rich Gordon and U.S. Representative Anna Eshoo, the Group argued that a "blended" approach in which high-speed trains and Caltrain service would operate on the same tracks with only minimal expansion of the existing right-of-way would be a better initial step in establishing service to San Francisco. The Metropolitan Transportation Authority in Los Angeles and the Orange County Transportation Authority proposed a similar shared use approach. The Authority adopted the blended and shared use approaches in its Revised 2012 Business Plan.

Business Model

In its existing Business Plans, the Authority has not defined the business model it expects to follow in managing the service once the project is completed. That is, the Authority has yet to decide whether to advertise for a private operator under a management contract or to advertise for one or another form of private, for-profit franchise or concession. The terms under which the

high-speed service will operate in conjunction with commuter operators on the blended service links have also not been defined. The Authority has stated that further development of this issue will be a priority in its 2014 Business Plan and the Group encourages this emphasis.

Management Resources

The Group has been concerned that effective project control will be beyond the Authority's capability, both in sheer scale of the required human resources and in availability of the specialized skills needed for high-speed rail. The Authority's approach to meeting this challenge relies heavily on Design-Build (DB) contracting that minimizes the numbers of staff on the Authority's payroll and places responsibility on the contractor who is supposed to complete the preliminary designs furnished by the Authority as well as manage construction. In addition, the Authority plans to make greater use of reimbursable staff assignments from other State agencies, principally Caltrans, which already have experience in many of the areas needing supervision.

Progress in expanding the Authority's in-house staff is encouraging and clearly reflects the Governor's priority in getting the project under control. This priority will need to continue as the project ramps up its construction effort. We have advocated expanded use of inter-agency staffing and believe this will also play a positive role in bringing the varying levels and types of skills the project will need as the level and types of work change over the project's life.

The reliance on DB contracting will pose risks as well as advantages. The DB approach minimizes the Authority's direct staffing needs and gives the DB contractor the maximum flexibility to turn the Authority's preliminary plans into a cost-effective finished product. By the same token, the quality of the plans furnished by the Authority will be of paramount importance, as will the ability of the Authority to work with the contractor, to supervise the contractor's efforts and to coordinate the contractor's work with that of subsequent contractors connecting to, or building on, the contractor's work. Since the engineering and construction effort for high-speed rail pose a number of specialized problems, the qualifications and capability of the contractor to do the DB work will also be important. The Authority's experience in managing the DB contracts in the Central Valley in the next several years will deserve close scrutiny.

Demand Forecasting

The Authority's demand forecasting has been conducted and reviewed by recognized professionals and is in accordance with modern practice within the limits of the resources so far allocated to the effort. With this acknowledged, a number of outside observers and the Group have argued that demand forecasting for creation of an entirely new service ("greenfield"), where no existing service pattern exists, is subject to a larger degree of variation than would be the case where an existing service was being improved ("brownfield"). Most of the world's high-speed rail services were built to improve or replace existing services and much of the demand forecasting experience comes from these situations. In addition, the market surveys used in the demand forecasting are less extensive than would be desired to support a project of this

magnitude and they necessarily focus on what people **say** they would do if offered a new choice that they may never have experienced ("stated preference") rather than measuring what they have actually **done** in making market-based modal choices ("revealed preference").

In response to comments from a number of sources including the Group, the Authority has revised its demand forecasts downward and has incorporated several sensitivity analyses in recent Business Plans. The Authority's demand forecasting peer review panel has conducted an exhaustive assessment of the demand forecasting approach and has submitted a series of recommendations for improvement both in the structure of the modeling and, over a longer term, in the data collected for use in calibrating the models. We understand that this will be partly reflected in the 2014 Business Plan and that better input data will be available for later plans. Since there are actually no decisions to be made in the short term that will depend on the results of the demand forecasts, this staged approach appears appropriate; but, the Group believes that the demand modeling should be fully upgraded before a decision is made to extend the network south beyond Bakersfield. We have discussed with the Authority the value of adopting a probability-based approach in presenting future demand forecasts (as well as capital and operations and maintenance cost forecasts) based on Monte Carlo simulation techniques and encourage them to incorporate this approach in future planning and analysis.

Capital Costs

Based on discussions with the Authority, we believe that the construction cost forecasts for the work in the Central Valley have been done in accordance with modern professional standards and are not obviously biased either up or down. At the same time, it should be emphasized that essentially all existing estimates in the project are still based on preliminary designs without actual construction or managerial experience. While the recent bidding in the first Central Valley project offers some encouragement, the dispersion in the bid amounts and technical scores may not yet add much to increased confidence in future capital cost estimates. With the final alignment and a number of design decisions for the first package still in flux, costs for even the first package may still evolve.

The history of the project has seen cost estimates rising well above the rate of inflation. It is difficult to draw firm conclusions from this because the project scope has not been fixed, but it is not unusual for project cost estimates on mega-projects to grow in line with the movement of the project from initial vision to actual realization. The Group has argued that the traditional approach of offering a low, medium and high cost estimate may not accurately portray the likely cost uncertainly of this project. This is especially true since the project is at a stage where so little actual experience is available. As with demand forecasting, probability-based estimating techniques may be a better approach.

Operating and Maintenance Cost (O&M) Models

The Group opined that the O&M model applied in the Revised 2012 Business Plan was probably simplistic, may not have been fully linked to the Authority's other planning tools such as the operating simulations, and was not fully based on experience either in Europe or the U.S. The Group considered this to be important because all of the Authority's financial analyses are based on both demand and cost forecasts and because the ability of the Authority to operate without State subsidy, as required by law, depends on the difference between revenues and costs.

The Authority commissioned a peer review study by European experts to assess the O&M model. The panel recently concluded that there were no fatal flaws in the model, but issued 19 findings identifying ways in which the model can be upgraded.

The panel's findings appear reasonable and the Group will encourage the Authority to adopt them in upgrading the model. One aspect of the recommendations – translating European costs and maintenance practices into U.S. conditions and future California outcomes – is especially important. The Group will encourage the Authority to employ experts with specific experience with U.S. practice to ensure that the model will be suitable for conditions expected in California.

In summary, I would like to emphasize two basic points.

First, even within the realm of mega-projects, building and operating high-speed rail in California is going to be an immense, enormously complex undertaking. High-speed rail projects in Europe, Japan, China, Korea, and even the Northeast Corridor in the U.S., have been managed by very experienced and adequately (except for the Northeast Corridor) financed operating enterprises. The Authority faces a very steep learning curve before it is on a par with these organizations and some of the learning is likely to be costly. They have a bear, albeit a Golden Bear, by the tail.

Second, the Authority has made manifest progress in the planning and management of the project since Governor Brown decided to give it high priority and his direct support. In a number of ways described in this statement, the Revised 2012 Business Plan presents a much improved view of how to initiate the project and how to better integrate it into California's overall transportation system. The Authority has also listed a number of credible ways in which future Business Plans will give a more realistic picture of the project's costs and benefits and has made decisions that will reduce the financial risks to the State.

The Independent Peer Review Group has worked diligently to assist the Legislature in understanding the project's risks and challenges as well as its benefits. This has often incorrectly cast us as project opponents. However, only the Legislature and the U.S. Congress are empowered to make the policy decisions regarding tradeoffs in benefits, costs and risks associated with the California high-speed rail project, as well as other high-speed rail projects in the United States. Our job is to work to ensure that the information you use in making those policy decisions is as complete, objective and unbiased as possible.



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, II
Ranking Member

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

July 9, 2013

Louis S. Thompson
Chairman
Peer Review Group for the California High-Speed Rail project
14684 Stoneridge Drive
Saratoga, CA 95070

Dear Mr. Thompson:

Thank you for your testimony before the Subcommittee on Railroads, Pipelines, and Hazardous Materials on May 28, 2013 concerning "Oversight of California High Speed Rail." I am pleased you appeared and testified on behalf of the Peer Review Group for the California High Speed Rail Project. The Subcommittee gained valuable insight from the information you provided at the hearing.

Enclosed please find additional questions for written responses for the record. The Subcommittee appreciates your written responses no later than July 26, 2013. Please provide an electronic version of your response via email to [redacted]

If you have any questions please contact [redacted] of the Subcommittee at [redacted]

Sincerely,

[redacted] Denham
Chairman
Subcommittee on Railroads, Pipelines, and
Hazardous Materials

Enclosures

Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on "Oversight of California High Speed Rail"
May 28, 2013
Questions for the Record

Questions from Rep. Corrine Brown:

Mr. Thompson, Representative Costa accurately stated at the hearing that infrastructure projects frequently do not have a guaranteed source of funding. You also testified that when you oversaw the construction of the Northeast Corridor project that you had to depend on Congress re-appropriating funds every year. However, it is understood that having a steady source of funding could provide several benefits and could potentially lower the overall cost of the High-Speed Rail project.

- *From your experience in construction, how does not having a reliable source of funding impact the timeline and overall cost of a project?*
- *In your opinion, how would a dedicated source of funding for passenger rail help California's High-Speed Rail project?*
- *Do you think having a steady source of funding would incentivize the private sector to invest in High-Speed Rail?*

Mr. Thompson, at the hearing, Mr. Al Smith in his testimony indicated that you may have the best numbers as to how many jobs will be created by California's High-Speed Rail project.

- *For the record, please supply the number of jobs that will directly and indirectly be created by the High-Speed Rail project.*

Mr. Thompson, at the hearing there was a significant amount of discussion as to whether the current plan for the High-Speed Rail project aligns with what California voters approved with Proposition 1A. Representative Costa explained at the hearing, how, in his opinion as the original drafter of Proposition 1A that the current plans do follow the intent and are not violating what was approved by California voters.

- *For the record, please explain how the current plan for California's High-Speed Rail project aligns or deviates from what California voters approved with Proposition 1A.*

Louis S. Thompson
Responses to Questions Submitted for the Record by the Honorable Corinne Brown
Submitted July 10, 2013

Question: From your experience in construction, how does not having a reliable source of funding impact the timeline and overall cost of a project?

Answer: Large "mega-projects" take place over many years. Each part of a project schedule is based on the result of prior work. When funding is unpredictable, scheduling and project management are much more difficult. If funding is not available as planned, schedules have to be changed, scope may need to be changed, and costs go up.

I should add in response to the prefatory statement that, although the Northeast Corridor Improvement Project (NECIP) did depend on annual appropriations, the NECIP at least had full authorization, which meant that it was the intent of Congress and the President that the project be done in its entirety more or less as discussed in authorization hearings. This furnished a firm basis for planning and budgeting and ensured that year-to-year changes, if any, were minor and relatively easy to manage. It also ensured that I did not have to deal with "boom and bust" staffing and management issues.

Question: In your opinion, how would a dedicated source of funding for passenger rail help California's High-Speed Rail project?

Answer: The CA HSR project will take at least 20 years and $60 billion to complete. In my judgment, having a known and stable source of funding (as was the case for the Interstate Highway System) would greatly help to: plan the project; make sure that all the sections are completed on time and in sequence; support investment on the part of contractors and potential operators by giving them more confidence that the project will be completed; and, permit a stable staffing level that would attract the best people. All of these would reduce the cost, speed up the schedule and increase the benefits of the project.

Question: Do you think having a steady source of funding would incentivize the private sector to invest in High-Speed Rail?

Answer: Absolutely yes. Put another way, if funding of the project is sporadic and completion of the project is continually in question, the private sector would have a lot less reason to invest in construction equipment and technology or in planning for operations.

Question: For the record, please supply the number of jobs that will directly and indirectly be created by the High-Speed Rail project.

Answer: I have not made an independent estimate of employment creation, and estimating employment in construction projects is at best an inexact science. With this said, the Mineta Transportation Institute at San Jose State University has estimated that the entire project might generate 256,000 job-years of direct employment, while the High-Speed Rail Authority has estimated that the project might generate 800,000 to 900,000 job-years of total employment.

These are both roughly consistent with broad guidance from the Council of Economic Advisers that each $92,000 of project spending creates about one job-year of employment.

Several points need emphasis in this discussion. First, the metric is job-**years**, not jobs. That is, a project lasting 5 years and costing $460,000 would create 5 job-years, but, on average, only one job. Second, it is important to distinguish between **direct** job creation (people actually working on the project) and **total** job creation, which would include not only direct jobs, but also secondary (supply) jobs as well as tertiary jobs created by the spending of the direct and supply employees. Estimation of direct jobs is approximate, and estimation of secondary and tertiary jobs is even more approximate. Finally, **any** spending creates employment: the same impact would be felt from a canal project, or a highway project or essentially any investment so there is nothing uniquely attributable to high-speed rail in the employment generation.

Question: For the record, please explain how the current plan for California's High-Speed project aligns or deviates from what California voters approved with Proposition 1A.

Answer: This calls for a legal conclusion that I am not competent to render. As an example of this issue, the Proposition provides that "[t]he planned passenger service by the authority in the corridor or usable segment thereof will not require a local, state, or federal operating subsidy" but does not provide a clear definition of "operating subsidy" either as to the items to be included in the calculation or as to the need to operate without "subsidy" in each and every year or only over a period of years up to the life of the project. I would personally interpret the language to mean that operating revenues must cover cash operating costs (operating and maintenance) and that this should be true over a reasonable period of time after start-up, but others might argue that financial costs such as interest, depreciation and an allowance for debt repayment or capital recovery should be included. Most economists would argue that "operating subsidy," however calculated, is not an appropriate measure of the benefits and costs of the project.

From the viewpoint of a transportation professional (and not a lawyer) with an engineering, economics and finance background, I have read the law a number of times. While it is beyond me to say that the project fully complies (or does not comply) with all provisions of the law, I can say that I am unable to identify any specific point in which the project, as currently planned, contravenes a realistic understanding of the intent and objectives of the law.

To: U. S. House – Subcommittee on Railroads, Pipelines and Hazardous Materials
The Honorable Jeff Denham, Chair

From: Al Smith, President and CEO
Greater Fresno Area Chamber of Commerce

Date: May 28, 2013

Subject Oversight of California High-Speed Rail

Thank you for the opportunity to share my thoughts regarding the high-speed rail project currently in place for the State of California.

As the President and the CEO of the Fresno Area Chamber of Commerce, I work closely with our region's businesses, and I have a unique understanding of the Central Valley's economy. In this role, I am tasked with promoting business and enhancing the economic and cultural well-being of Fresno County residents. That is why the Fresno Area Chamber of Commerce strongly supports the development of California's high-speed rail project.

I know that California's high-speed rail system will create thousands of jobs, both now and in the future. I also know that this modern transportation system will make doing business in the Valley more attractive and efficient. And, I know that California's geography and expected population growth make our state perfectly suited for this major infrastructure project.

Central California's dependence on one industry

Central California is considered the bread basket of the world. Its fertile soils generates a large variety of agricultural products the generate billions of dollars of economic stimulus and thousands of jobs. Fresno, Madera and Tulare Counties alone generate over 14 billion dollars of the 32 billion of agriculture income state-wide.

This area is almost totally dependent on this business segment. Unfortunately, this segment can also be negatively impacted with drought conditions and environmental challenges, as we are witnessing even as we speak. The guarantee of a sustainable output year in and year out is fragile.

As a result, there is an urgent need to diversify the economic base of this portion of California.

Higher unemployment

In the central valley, unemployment ranges in excess of the 15% range (some west side cities have unemployment in excess of 40%). This is six points higher than the 9% state-wide average (one of the highest in the nation) and twice as large as the 7.5% unemployment nationwide. Job creation is of paramount importance to the citizens of this area.

This is why high speed rail is a welcome opportunity to positively impact all of these factors.

Employment that diversifies our economy

The development of high speed rail has the opportunity to create 20,000 jobs for every billion of dollars invested.

The High Speed Rail Authority is estimating 135,000 construction jobs in the Central Valley - 8,000 in Fresno County alone over the approximate 8 years of development. Statewide the estimate is 600,000 construction related jobs – a major contribution to reducing our statewide unemployment.

Should the maintenance facility be located in Fresno, it could create 1,500 high-paying permanent jobs in the Central Valley, thus helping to diversify with good paying, higher skilled jobs.

Additionally, the effort could bring along ancillary businesses and industry in support services. In fact, it is possible that this part of California could become the center-point of future high-speed rail projects as it expands nationwide.

Such diversification improves the stability of an economy that is currently based on the fickleness of rainfall and environmental challenges.

The other economic impact is the boost to small business with 25% of the funds targeted at small businesses and disabled veterans.

Support from Valley businesses

Businesses large and small in the San Joaquin Valley support the California high-speed rail project because they know this modern transportation system will create jobs in the Valley and across the state now and in the future.

Jack Emerian is a lifelong resident of Fresno and a business owner since 1967. He is the Chief Executive Officer at Val Print, a marketing and design company based in Fresno.

Three of the company's properties will be affected by the rail alignment, and throughout this process, he has found in the High-Speed Rail Authority a willing and supportive partner.

Despite the need to relocate some of his business, he is a passionate supporter of the project because he knows that his short-term sacrifice will serve the greater good and ensure a brighter future for the private sector in the Valley.

A high-speed rail system that connects the Valley to the rest of the state will alleviate congestion on Highway 99, reinvigorate the regional economy, and make doing business in the Valley more efficient and attractive for companies like Val Print.

California has a unique geography

This state runs north and south, not so much east and west. From the southern border to its northern counterpart lies 770 miles. That's approximately the equivalent of the miles between Chicago, Illinois to Jackson, Mississippi.

From California's major population and economic centers, the distance from Los Angeles to San Francisco is over 380 miles. The distance from San Diego to Sacramento is 504 miles.

A large population

We have the largest population of any state in the nation – in excess of 37 million inhabitants. That population is split with 60 % (22 million) living in southern California and 40% (15 million) living in the northern portion.

The large population and business aspects of southern California (Los Angeles, San Diego, etc.) has the necessity to interface regularly with its northern counterpart, primarily San Francisco (a financial center and a top tourist destination; Sacramento – the government Capital of the state and also three of the nations more frequented national parks, Yosemite, Kings Canyon and Sequoia.

Our transportation choices today consist of automotive, air or Amtrak bus and rail.

But the need exists that 37 million Californians require reasonable options for moving around this state for leisure, business and governmental purposes.

Moving a large population in California's unique geography

California has three of the top five most congested urban areas in the United States. Right now, congestion costs approximately $20 billion per year in wasted fuel and lost time

As an alternative to automotive travel, HSR has the ability to speed transportation time; put less stress on passengers; reduced fuel costs; less wear and tear on highways thus reducing the cost of highway maintenance, and resulting in less accidents and deaths

Additionally, with air-service out of Fresno and high ticket costs, HSR to SFO Airport would take 1 hour nine minutes versus three hours by automobile, thus making air travel to other parts of the country less costly and more convenient. And an added bonus – no need to park a car.

Adding to all of these is the reduction in CO2 estimates of 130 to 190 pounds per trip, thus improving air quality in an area with air challenges.

As an alternative to intrastate air travel, HSR diminishes the need for new airports and new runway construction. We cannot pour enough concrete to stay ahead of the demand.

Conclusion

As someone who has spent my life in the private sector, I can tell you that high-speed rail will be an economic game-changer for the Valley. Our businesses need increased demand and improved travel options in order to succeed, and that's exactly what California's high-speed rail system will bring to the Valley.

Federal assistance in transportation will be needed whether it is highway construction; airport and/or runways expansion or high speed rail. Having this option for the enormous growth projected for California is not only convenient but a wise investment.

With 37 million Californians needing to move throughout the state based on the listed examples, one must believe high speed rail would be an attractive and successful option.

Respectfully submitted:

Al Smith
President and CEO



Committee on Transportation and Infrastructure
U.S. House of Representatives

Bill Shuster
Chairman

Washington, DC 20515

Nick J. Rahall, II
Ranking Member

July 9, 2013

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

Al Smith
President and CEO
Fresno Chamber of Commerce
2331 Fresno St
Fresno, CA 93721

Dear Mr. Smith:

Thank you for your testimony before the Subcommittee on Railroads, Pipelines, and Hazardous Materials on May 28, 2013 concerning "Oversight of California High Speed Rail." I am pleased you appeared and testified on behalf of the Fresno Chamber of Commerce. The Subcommittee gained valuable insight from the information you provided at the hearing.

Enclosed please find additional questions for written responses for the record. The Subcommittee appreciates your written responses no later than July 26, 2013. Please provide an electronic version of your response via email to [redacted].

If you have any questions please contact Mike Friedberg of the Subcommittee at [redacted]

Sincerely,

Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and
Hazardous Materials

Enclosures

Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Hearing on "Oversight of California High Speed Rail"
May 28, 2013
Questions for the Record

Questions from Rep. Corrine Brown:

Mr. Smith, in your testimony at the hearing you indicated that the High-Speed Rail project will have an enormous impact in the Central Valley. You also stated that High-Speed Rail would make doing business in the Central Valley both more attractive and efficient.

- *For the record, please summarize the current unemployment rates for the Central Valley.*
- *Please explain how High-Speed Rail will impact the Central Valley economy, and why it is so important at this time to bring high paying jobs to the Valley.*
- *Please explain how the High-Speed Rail project will both directly and indirectly benefit the Central Valley business community.*

GREATER FRESNO AREA CHAMBER of COMMERCE

To: U. S. House – Subcommittee on Railroads, Pipelines and Hazardous Materials
The Honorable Jeff Denham, Chair

From: Al Smith, President and CEO
Greater Fresno Area Chamber of Commerce

Date: July 18, 2013

Subject Oversight of California High-Speed Rail

Thank you for your letter of July 9th, 2013 regarding your request for additional input following my appearance before your sub-committee on May 28, 2013. To the additional questions submitted by Rep. Corrine Brown I respectfully submit my responses as follows:

Question #1: ***For the record, please summarize the current unemployment rates for the Central Valley.***

According to the statistics published by the California Employment Development Department, there has been another uptick in unemployment. This geographic area of California continues to exceed the rest of the State (8.5%) and the Nation (7.5%) by shocking numbers.

The four counties that comprise this section of the state are Fresno, Madera, Merced, Kings and Tulare. Unemployment in these counties as of June 2013 was as follows:

Fresno	12.3%
Madera	11.0%
Merced	14.1%
Tulare	12.8%
Kings	12.8%.

With 113,100 of our neighbors standing in an unemployment line out of work and with no immediate sign of dramatic change in this area, we, as a Chamber of Commerce, continue to search for ways to diversify our economy. Our citizens have waited too long in that line and yearn for the opportunity to return to making a positive contribution to their families and our society.

2331 Fresno Street Fresno, CA 93721 (559) 495-4800 Fax (559) 495-4811 www.fresnochamber.com

Question #2: ***Please explain how High-Speed Rail will impact the Central Valley economy, and why it is so important at this time to bring high paying jobs to the Valley.***

This area of California is almost totally dependent on the agricultural business segment. Unfortunately, this segment can also be negatively impacted with drought conditions and environmental challenges, as we are witnessing even as we speak. The guarantee of a sustainable water output year in and year out is fragile.

As a result, there is an urgent need to diversify the economic base of this portion of California.

As mentioned in question #1, central valley unemployment ranges close to twice the national average. In some case, some west side cities in Fresno County have unemployment in excess of a shameful 40%.

This is why high speed rail is a welcome opportunity to positively impact all of these factors.

Question: #3: ***Please explain how the High-Speed Rail project will both directly and indirectly benefit the Central Valley business community.***

The development of high speed rail has the opportunity to create 20,000 jobs for every billion of dollars invested.

The High Speed Rail Authority is estimating 135,000 construction jobs in the Central Valley - 8,000 in Fresno County alone over the approximate 8 years of development. Statewide the estimate is 600,000 construction related jobs – a major contribution to reducing our statewide unemployment.

Should the maintenance facility be located in Fresno, it could create 1,500 high-paying permanent jobs in the Central Valley, thus helping to diversify with good paying, higher skilled jobs.

Additionally, the effort could bring along ancillary businesses and industry in support services. In fact, it is possible that this part of California could become *the center-point of future high-speed rail projects as it expands nationwide.*

Such diversification improves the stability of an economy that is currently based on the fickleness of rainfall and environmental challenges.

The other economic impact is the boost to small business with 25% of the funds targeted at small businesses and disabled veterans.

As the President and the CEO of the Fresno Area Chamber of Commerce, I work closely with our region's businesses, and I have a unique understanding of the Central Valley's

economy. In this role, I am tasked with promoting business and enhancing the economic and cultural well-being of Fresno County residents. That is why the Fresno Area Chamber of Commerce strongly supports the development of California's high-speed rail project.

I know that California's high-speed rail system will create thousands of jobs, both now and in the future. I also know that this modern transportation system will make doing business in the Valley more attractive and efficient. And, I know that California's geography and expected population growth make our state perfectly suited for this major infrastructure project.

As someone who has spent my life in the private sector, I can tell you that high-speed rail will be an economic game-changer for the Valley. Our businesses will need accelerated demand and improved travel options in order to succeed, and that's exactly what California's high-speed rail system will bring to the Valley.

Federal assistance in transportation will be needed whether it is highway construction; airport and/or runways expansion or high speed rail. Having this option for the enormous growth projected for California is not only convenient but a wise investment.

With 37 million Californians needing to move throughout the state based on the listed examples, one must believe high speed rail would be an attractive and successful option.

Respectfully submitted:

Al Smith
President and CEO

Letters of Support

- Edwin M. Lee, Major of Sacramento, Chuck Reed, Mayor of San Jose, Kevin Johnson, Mayor of Sacramento, Ashley Swearengin, Mayor of Fresno, Antonio Villaraigosa, Mayor of Los Angeles (old letter but important to our case)
- James C. Ledford, Jr., Mayor - City of Palmdale
- Robbie Hunter, President - State Building and Construction Trades Council of California
- Thomas T. Holsman, CEO - The Associated General Contractors of America of California
- Jim Earp, Executive Director - California Alliance for Jobs
- Hasan Ikhrata, Executive Director – Southern California Association of Governments
- Gary Toebben, President & CEO – Los Angeles Area Chamber of Commerce
- Jim Wunderman, President and CEO - Bay Area Council
- Jessica Zenk, Senior Director of Transportation Policy - Silicon Valley Leadership Group
- David Adelman, Chair/Stuart Waldman, President - Valley Industry & Commerce Association
- George L. Chilson, Chairman - Californians for High Speed Rail
- Michael Scanlon, Executive Director - CalTrain
- Dr. Lee Boese, Jr., Chairman – Greater Merced High-Speed Rail Committee, Inc.
- Michael Lornio, Founding Member – I Will Ride
- Helen Chavez-Hansen, President-Owner - La Tapatia Tortilleria, Inc.
- Andreas Cluver, Secretary Treasurer - Building and Construction and Trades Council of Alameda County, AFl-CIO
- Ron Miller, Executive Secretary - Los Angeles/Orange Counties Building and Construction Trades Council
- Tom Lemmon, Business Manager - San Diego County Building & Construction Trades Council, AFL-CIO
- Tony Ledoux, President/Billy Powell, Financial Secretary-Treasurer - Building and Trades Council of Stanislaus, Merced, Tuolumne and Mariposa Counties
- John Spaulding, Executive Secretary - Building Trades Council – Kern, Inyo & Mono Counties of California AFL-CIO
- Sid Berg - Financial Secretary/Treasurer - Building and Construction Trades Council of Humboldt and Del Norte Counties
- Neil Struthers, CEO - Santa Clara & San Benito Counties Building & Construction Trades Council
- Sterling E.Mayes, Secretary/Treasurer - Construction Trades Council
- Gerald E. Pfeiffer, Business Manager/Financial Secretary - International Brotherhood of Electrical Workers – Local Union No. 332
- A.C. Steelman, Business Manager International Brotherhood of Electrical Workers – Local Union No. 340
- Mark D. Simonin, Business Manager - International Brotherhood of Electrical Workers – Local Union No. 639
- Bobby Stutzman, President Elect - International Brotherhood of Electrical Workers – Local Union No. 684

- Andy Hartmann, Business Manager - International Brotherhood of Electrical Workers – Local Union No. 234
- Robert J. Lamb II, United Association International Representative, California and Hawai'I - International Brotherhood of Electrical Workers – Local Union No. 684
- Shane Werner, Business Manager/Financial Secretary - International Brotherhood of Electrical Workers, Local No. 952
- Dave Jackson, President, B.A.C. Local No. 3. California – Bricklayers and Allied Craftworks
- Michael Height, Apprenticeship Coordinator - Bricklayers and Allied Crafts Local No. 3 Joint Apprentice Training & Educational Committee
- Cliff Smith, Business Manager - United Union of Roofers Waterproofers and Allied Workers
- Chris Greaney, Business Representative - Heat and Frost Insulators and Allied Workers Local Union No. 16
- Bob Jennings, Business Manager U.S. Local 246 United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada
- John D. Bodine, Business Manager/Dale H. O'Dell, Business Agent - Road Sprinkler Fitters Local Union No. 669
- Jason Gallia, Business Agent - Iron Workers Local 378, Union of Bridge, Structural, Ornamental and Reinforcing
- Bruce Word, President/Business Manager - International Association of Sheet Metal, Air, Rail and Transportation Workers
- James P. Barcelos – State of California Certified Journeyman Electrician
- Peter Halver - Modesto & Stockton Brach Manager – Northern California Chapter, National Electrical Contractors Association
- Don M. Savory – Business Manager, F.S.T. - The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
- Ernie Wiens, Vice President - The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
- Jason Henson, President - The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
- Luis Gonzalez, Business Agent - The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
- Richard Whitney, President/Secretary-Treasurer - Bricklayers & Allied Craftworkers – Local No. 4
- John A. Brown, Business Manager/Financial Secretary - International Brotherhood of Electrical Workers - Local Union No. 477
- Phillip Winters, Executive Director - Northern California Teamsters Apprentice Training and Education Trust Fund
- Douglas M. Chappell, Business Manager - International Brotherhood of Electrical Workers – Local Union No. 441
- Michael Silvey, Business Manager - Ironworkers Local 433
- Kirk Crosswhite, Business Manager/Financial Secretary-Treasurer - Plumbers & Steamfitters Local Union #230

- Johnny Simpson, Business Manager - International Brotherhood of Electrical Workers – Local Union No. 569
- Chuck Huddleston, Business Manager - International Brotherhood of Electrical Workers – Local Union No. 413
- Brian C. Gini, VP/Modesto Branch Manager - Collins Electrical Company, Inc.
- Barry Frain, President - Con J. Franke Electrical Inc.
- James J. Conway – Construction Industry Consulting

Keep California Moving Forward

Support High-Speed Rail

As mayors, we have to balance budgets and make tough decisions. We understand the difficult task the Governor and Legislature face in negotiating a budget in the coming days. We also know that people in our cities need jobs. We know that we, as a state and country, need to invest in our infrastructure, both for the near-term economic benefits and the long-term competitiveness and quality of life that these investments produce. That is why we are asking the Legislature to follow the Governor's lead and fund an unprecedented program of investments in our transportation systems by appropriating Proposition 1A funds.

We have long supported the development of a high-speed rail system in California as an important tool to fight gridlock on our roads and at our airports. The federal government supports the California system, providing $3.3 billion in initial funding to get the construction underway. If the Legislature doesn't appropriate $2.7 billion in matching 1A funds, that federal investment will be lost.

Prop 1A bonds won't just start the construction of the country's first high-speed rail system. They will also provide commuters statewide with better transportation systems in the cities and urban areas. By working cooperatively over the last year, state and regional transportation agencies have come together with a new program that will produce benefits earlier and in more places, investing in systems that provide over 950 million transit trips a year. This is just what voters approved in Prop 1A, providing funds both for the statewide system and for local projects. State funds will be leveraged 3 to 1; that is, $4 billion of state 1A funding will generate $12 billion of transportation improvements all over the state, creating tens of thousands of construction jobs in the process.

Moving forward quickly on high-speed rail is not an easy decision, but not all tough decisions are negative ones. They can also be courageous and forward-looking ones. By appropriating 1A funds for a comprehensive statewide rail program, the Legislature can put people back to work and keep California moving forward.

Sincerely,

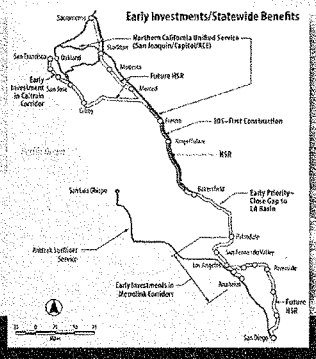
Edwin M. Lee
Mayor of San Francisco

Chuck Reed
Mayor of San Jose

Kevin Johnson
Mayor of Sacramento

Ashley Swearengin
Mayor of Fresno

Antonio Villaraigosa
Mayor of Los Angeles





Paid for by California Alliance for Jobs and Mayor Ed Lee's Committee for San Francisco

PALMDALE
a place to call home

JAMES C. LEDFORD, JR.
Mayor

TOM LACKEY
Mayor Pro Tem

LAURA BETTENCOURT
Councilmember

MIKE DISPENZA
Councilmember

STEVEN D. HOFBAUER
Councilmember

38300 Sierra Highway

Palmdale, CA 93550-4798

Tel: 661/267-5100

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Auxiliary aids provided for communication accessibility upon 72 hours notice and request.

May 23, 2013

The Honorable Jeff Denham
Chairman

The Honorable Corrine Brown
Ranking Member

Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

RE: CALIFORNIA HIGH-SPEED RAIL – PALMDALE, CA

Dear Chairman Denham and Ranking Member Brown:

The City of Palmdale is working hard to create economic development opportunities, improve the availability of jobs for our residents, and to promote multi-modal connectivity with the surrounding regions. To that end, Palmdale is resolute in its support for the California High-Speed Rail project.

The City of Palmdale and local cities have taken a strong stance over many years in support of high-speed rail. The reason is clear: By supporting the high-speed train project, we are delivering a vision that stands to provide greater mobility for Antelope Valley residents, increased economic development, and a cleaner, more reliable way to move throughout the state.

We are also looking to create a significant influx of jobs. Construction of the blended system from the Bay Area to Southern California is expected to create an average of 66,000 jobs annually for 15 years. According to

the Greater Antelope Valley Economic Alliance, more than 10 percent of Palmdale's workforce self-identifies as being in the construction, engineering or architecture industry. Our people are ready to get to work.

The City of Palmdale is pleased with the evolution the project, including the 2012 Business Plan. The plan sets forth the foundation for implementing the high-speed rail system as part of the state's overall rail-modernization program. This is smart, logical, and ensures that the design and construction of this state-of-the-art system is integrated into existing systems, allowing for optimal usage and multi-modal benefit.

There has also been significant progress made since Governor Brown reaffirmed his commitment to the project. From new leadership, including a project-focused staff that is striving towards implementing a successful program, the Authority has made great strides in moving toward their goal of breaking ground this year.

In closing, I want to thank the Congressional Committee for their efforts to ensure that the development of the California High-Speed Rail project is transparent, with accurate information. It is with this in mind that we submit this letter and offer any additional testimony in the future.

Sincerely,

James C. Ledford, Jr.
Mayor

C:
Palmdale City Council
David Childs
Mike Mischel

State Building and Construction Trades Council of California

ROBBIE HUNTER
PRESIDENT

J. TOM BACA
SECRETARY-TREASURER

Chartered by
BUILDING AND CONSTRUCTION TRADES DEPARTMENT
AFL - CIO

May 23, 2013

The Honorable Jeff Denham
U.S. House of Representatives
1730 Longworth House Office Bldg.
Washington, DC 20515

Dear Congressman Denham:

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly skilled workforce, completing the project in the least amount of time, building it once and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So lets create those jobs and get to work now.

1225-9th Street, Suite 375 · Sacramento, CA 95814 · (916) 443-3302 · FAX (916) 443-8204

We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High-Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

High-Speed Rail is proving tremendously successful around the world. In Europe and Asia, it is proving to be the mode of choice along corridors with population centers 100 to 500 miles apart, precisely the type of corridor that California's High-Speed Rail will serve. California, both geographically and economically, is practically designed for High-Speed Rail.

Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

Robbie Hunter

Robbie Hunter
President

RH:mb
opeiu#29/afl-cio

"It's good business to do business with an AGC member."

AGC CALIFORNIA

The VOICE of the Construction Industry

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John Ball, Senior Vice President
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Thomas Holsman, CEO

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E-mail: agcsbo@agc-ca.org

May 23, 2013

The Honorable Jeff Denham (Chairman)
The Honorable Corrine Brown (Ranking Member)
Subcommittee on Railroad, Pipeline, and Hazardous Materials
Committee of Transportation and Infrastructure
U.S. House of Representative
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

The Associated General Contractors of California (AGC) is the largest statewide construction trade association in California representing over 1,000 contractors and construction related firms throughout the State.

AGC is in strong support of the high speed rail project and recommends the construction begin as soon as possible.

With unemployment in the Central Valley at the highest level in California and well above the national average it is vital to place an emphasis on maximum job opportunities for the residents of this region. This project will help bring employment stability to the area, helping local economies and supporting small businesses.

Improving job opportunities, reducing travel time and reducing commuter costs are just a few of the benefits. A bonus to the traveler will be an improvement to the local commuter train service that will accompany this project. This will add to the fiscal improvement of the state.

Californians look to a day when travel from Los Angeles to San Francisco will be accomplished in 2 and ½ hours without reservations or long security check lines. Travel to and from Central California will be rapid at reasonable rates.

Sincerely,

Thomas T. Holsman, CEO
AGC of California



1415 L Street, Suite 1080
Sacramento, CA 95814
Office: (916) 446-2259
Fax: (916) 446-2253
www.rebuildca.org

Advocate for the Heavy Construction Industry

May 25, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

The California Alliance for Jobs – a unique labor-management partnership that represents more than 2,500 heavy construction companies and 80,000 union construction workers in Northern and Central California – strongly supports the state's visionary High Speed Rail proposal.

The Alliance believes that investing in high-speed rail is vital to accommodate the future mobility needs of a growing population. The blended system that has been developed will benefit California's overall passenger rail system by beginning construction on dedicated high-speed rail infrastructure in the Central Valley while investing in improvements to existing regional rail systems that high-speed trains will ultimately utilize to connect the state's larger population centers.

We also believe the High Speed Rail Authority has made impressive progress since Governor Brown reaffirmed his commitment to the project. New leadership has been brought on board and the 2012 Business Plan has set the foundation for implementing the high-speed rail system as part of the state's overall rail modernization program. Additionally, Authority cost estimates

and revenue and ridership forecasts have received rigorous review by independent experts that deemed the projections to be reasonable and realistic.

Finally, and perhaps most importantly to our members, the job creation and economic development associated with constructing and operating the system will be enormous. The project will create hundreds of thousands of jobs over the years, beginning this year as the first phase of construction gets under way. That will give our state's fragile economic recovery a much-needed boost and be especially beneficial in the Central Valley, where unemployment rates currently stand in excess of 20 percent.

Again, our members strongly support continued support for this visionary undertaking.

Sincerely,

Jim Earp
Executive Director, Alliance for Jobs

http://www.sbsun.com/opinions/ci_23090594/high-speed-rail-plan-is-right-track

High-speed rail plan is on the right track

Hasan Ikhrata San Bernardino County Sun
Posted: sbsun.com

Some former high-speed rail supporters have expressed concern recently about the current path being taken by the California High-Speed Rail Authority in its effort to develop an 800-mile system, with trains running up to 220 mph connecting California's urban centers.

The idea of developing a fast, efficient and reliable rail system that is connected to regional intercity rail has been a goal for transportation agencies and policy experts in California for more than two decades. Voters validated that goal in 2008 by supporting Proposition 1A, putting $9.95 billion behind the concept.

But while it is one thing to conceptualize a mega-project such as this, reality and practicality may dictate a different course, which is where we're at today with the rail authority's blended approach to high-speed rail. Supported by a wide variety of local and regional transportation agencies, lawmakers and Gov. Brown, this well-thought-out, cost-saving alternative calls for high-speed trains to share tracks with local commuter trains in urban areas, decreasing the footprint of the project's right-of-way, minimizing impacts in congested cities, and decreasing costs.

For a multitude of reasons, it's the right thing to do.

For high-speed rail to succeed, it must synergistically satisfy ridership needs for the state, be politically palatable to local communities and decision makers, and be able to withstand the scrutiny of the California Environmental Quality Act (CEQA).

To that end, the CHSRA has been working with local agencies, such as the Southern California Association of Governments, Los Angeles County Metro, Metrolink, and Caltrain, to develop a plan that can realistically deliver high-speed rail to California. The CHSRA has integrated regional transportation plans and local agency experience to build what is essential - not just what is sexy. And they've done it in a manner that creates opportunity for immediate rail improvements up and down the state, not just in the Central Valley, ensuring taxpayers throughout the state see project benefits today - not in 20 years.

Building a 220-mph system that blazes through urban areas on dedicated infrastructure, knocking out parks, churches and homes, is unrealistic. Given the impacts to existing communities, environmental justice issues, and the politicel truths that neighborhoods can impact funding, it cannot be done. And it should not be done. Agencies developing infrastructure projects should not be able to steamroll through communities unchecked.

This certainty and the shift in local engagement in the project is directly reflected by the leadership of the CHSRA. Previously, the project was being designed in a vacuum, with little if any consideration given to local community impacts. Today, under Gov. Brown's appointees, including CHSRA Board Chair Dan Richard and Chief Executive Officer Jeff Morales, the CHSRA has embraced the so-called blended approach - a collaborative solution that is based on real-world challenges, not just engineering-driven design criteria.

This concept would use about $1 billion in unallocated Proposition 1A and other HSR funds for immediate rail improvements to existing Amtrak and commuter rail services in Southern California, and is more realistic, constructible and respectful of people.

What's more, this design upholds the voter mandate to build a system that can meet express travel times of 2 hours, 40 minutes between Los Angeles and San Francisco. It is also consistent with successful designs in Europe and Asia.

Another issue recently raised involves concerns about the independent utility of the initial segment. In fact, the CHSRA is working with Amtrak to ensure the 130-mile segment between Mereed and Bakersfield is usable and functional, as upheld by the Legislative Counsel last June. It's not an optimal outcome, but a phased outcome benefiting existing rail travelers sooner rather than later, until the full high-speed system is delivered. And it is legal, conforming to Prop. 1A voter protections and its controls that narrowly define how the funds are appropriated.

With all due respect to those who had the vision to dream the high-speed rail project and the political acuity to capture the public's attention and pass Proposition 1A, the project is now in a different but necessary phase.

Today's leaders understand the road ahead requires collaboration, a broad-minded understanding of what is needed, and the discipline to put forth a plan that can be sustained by California's communities.

Hasan Ikhrata is executive director of the Southern California Association of Governments.



LOS ANGELES AREA
CHAMBER OF COMMERCE
125th anniversary

May 28, 2013

The Honorable Jeff Denham, Chairman
Subcommittee on Railroads, Pipelines,
and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown, Ranking Member
Subcommittee on Railroads, Pipelines,
and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

RE: SUPPORT for California High Speed Rail

Dear Chairman Denham aod Ranking Member Brown:

On behalf of the Los Angeles Area Chamber of Commerce, I write to express our support for the California High Speed Rail project. We believe Southern California would benefit from this project as it would serve as an economic powerhouse for the state by creating construction jobs, stimulating small business, improving air quality and updating our aging infrastructure system. Investing in high-speed rail is vital to accommodate future mobility needs of a growing population and we believe that despite initial challenges, significant progress has been made since Governor Brown reaffirmed his commitment to the project.

The adoption of the 2012 Business Plan set the foundation for implementing the high-speed rail system as part of the state's overall rail modernization program. Authority cost estimates and revenue and ridership forecasts have received rigorous review by independent experts that deemed the estimates to be reasonable and realistic. The Chamber appreciates the renewed commitment to improve communications and relationships with the communities that will be affected by construction or operations of the high-speed rail system; including outreach with business and property owners.

We supported Prop 1A in 2008 and continue to advocate that high speed rail is a worthwhile investment to move our state towards a 21st century infrastructure system. For highways alone to keep up with population growth in the next couple decades, we would have to construct 3,000 additional lane miles at a cost of $30-$55 million per lane mile. Our economy is driven by the ability to move people and goods throughout the state, thus it is imperative that we invest in a multi-modal transportation infrastructure system that alleviates our dependence on foreign oil, reduces congestion and improves our air quality.

The construction industry was one of the hardest hit during the economic recession and remains so in our fragile recovery. Every $1 billion spent on infrastructure investment equals 18,000 full-time job equivalents. This largest single infrastructure project in the history of the U.S. has the potential to unlock the growth and job-creation our state needs to continue recovering. For these reasons, we support the continued development of the California High Speed Rail project.

Sincerely,

Gary Toebben

Gary Toebben
President & CEO

350 S. Bixel St. | Los Angeles, CA 90017 | P: 213.580.7500 | F: 213.580.7511 | lachamber.com

BAYAREA COUNCIL

May 22, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Denham and Ranking Member Brown:

Thank you for planning to hold a Congressional Field Hearing on the California high speed rail project in Madera, California on May 28. It is very appropriate, and very much appreciated, for you to bring your hearing to California to hear directly from the residents, businesses, local governments, and associations who will experience this project first hand. I understand that there will not be time available for public testimony at the hearing, so I want to take this opportunity to let you know that the Bay Area Council supports California high speed rail and to explain why we think it is a sound investment for our region, our state, and our nation.

The Bay Area Council was founded in 1945 by visionary business leaders who believed that they could, and must, play a role in guiding the development of a prosperous post-war Bay Area region. Over its 68 years, the Council has had a front-row seat (and been directly involved) as the Bay Area transformed from a loose family of small towns and agricultural enclaves into the world's leading innovation region and an economic engine that drives California's economy. This growth and prosperity was not preordained, nor was it an accident. It grew, in large part, upon generational investments made by the State of California and the federal government. The University of California system, especially at Berkeley. The highway system and the Bay Area Rapid Transit system. The Hetch Hetchy water system. Federal investment in research and development that jump-started Silicon Valley. These foundational investments not only spurred

economic growth and prosperity, but they also provided the necessary systems to support the efficient operation of a growing region.

Today we continue to reap the benefits of these wise past investments, but, I regret to acknowledge, our region, our state, and our nation are largely failing to make today's similar investments that will support our prosperity in the future. California high speed rail is one important effort to reverse this trend, to proactively invest in the long-run prosperity of California. It won't singlehandedly solve *every* challenge that California faces in the 21st Century—the Council believes that our region, our state, and our nation need to do much more—but it *will* lay a necessary foundation upon which California population growth can be supported.

California, already the nation's most populous and most urbanized state, is going to grow and become yet more urbanized. By 2060, our state will have 15 million new residents, and growth will continue throughout the Century. In the 1950s, the Bay Area Council foresaw a region facing tremendous population growth and urbanization, and we envisioned and drove the creation of the BART system that today is our region's essential transit spine. In the same manner, as we look at the growth and urbanization ahead for California, we see a statewide spinal network of high speed rail as the solution. True, it is expensive and will take decades to complete. This was equally true of the BART system, but it did not mean that BART was infeasible or unwise. It only meant that Bay Area leaders, including the Bay Area Council, needed to approach our future from a position of resolve and confidence. We have equal confidence and resolve in California's future and in our state's ability to deliver high speed rail.

The cost of the system is, no doubt, of great concern to you. As a business organization comprised of member companies and CEOs who must shepherd their investments carefully, the Council does not take the cost lightly either. But two factors have led us to comfort with the cost. The first is that this is an investment in California's next 100 years, and we consider the total construction cost to be amortized over that very long time frame and over generations, and growing numbers, of Californians. The second and critical factor is that, under the leadership of Governor Jerry Brown and Dan Richard, Chairman of the High Speed Rail Authority, the project will be delivered in incremental segments that each deliver immediate utility to California residents and businesses.

In the Bay Area, the Authority will invest in electrifying tracks owned and used by Caltrain, the passenger rail system that serves the San Francisco-Silicon Valley innovation corridor, perhaps the most economically productive 50 miles in the nation. With electrification, Caltrain will provide faster, more frequent, more reliable, quieter, and less-polluting service that will support economic and job growth in the corridor. And when construction of the statewide high speed rail system reaches San Jose, its trains will be able to use the same tracks and electric power system. It's an investment in long-term future that also delivers near-term benefits. In a similar way, improvements to Metrolink passenger tracks in the Los Angeles region will deliver near-term benefit to residents and employers, while also laying a foundation that will be used later by the statewide high speed rail system.

P 415.981.6600 201 California Street, Suite 1450
F 415.981.6408 San Francisco, California 94111

The Central Valley, where you are holding your hearing, will receive an all-new stretch of high speed tracks. When complete—and long before full completion of the statewide system—these new tracks will serve as the test-bed for high speed trains, and they will provide a higher-speed (125 mph) route for use by conventional Amtrak trains. It is true, as I am sure you will explore in your hearing, that there are local impacts to construction of the all-new track. Such is the case with construction of any generational investment, but you can take comfort in the fact that under the California Environmental Quality Act—the most stringent such act in the nation—affected residents and businesses have a powerful platform from which to press their case to the Authority. They have done so, and the Authority has responded, and CEQA lawsuits have been settled to the satisfaction of plaintiffs. In fact, one reason that the cost of the project has increased is that the design and alignment has been modified in response to concerns raised during the environmental process. This should be taken a positive sign that the Authority is working in good faith to deliver a project that meets the needs not only of the state as a whole, but also of the immediate neighbors who will be affected.

The next few years will be an exciting time in California. Construction in the Central Valley will create tens of thousands of jobs in one of the most economically distressed areas in the nation, and Americans will see our nation's first high speed train system begin to rise. Caltrain will convert from slow and noisy diesel trains to quiet and fast electric vehicles, providing a small-scale glimpse into the future promise of California high speed rail. And we will begin to look to the construction of the next subsequent link in the network and the services that it will support, all the while keeping our eyes on the long-term vision that will link our state from North to South.

Thank you again for bringing your hearing to California and listening to our residents, businesses, and organizations. I hope that you will return regularly to view firsthand the development of California high speed rail and the benefits that it brings.

Sincerely,

Jim Wunderman
President and CEO

JW:mc

P 415.981.6600
F 415.981.6408

201 California Street, Suite 1450
San Francisco, California 94111



ORANGE COUNTY
BUSINESS COUNCIL

ORANGE COUNTY'S LEADING VOICE OF BUSINESS

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

Orange County Business Council is the leading voice of business for America's sixth largest county. OCBC's mission is to enhance the region's economic prosperity while maintaining a high quality of life. OCBC focuses on four initiatives: improving infrastructure, enhancing workforce development, increasing the supply of workforce housing and maintaining a robust economic climate. **OCBC strongly supports the California High-Speed Rail (HSR) project.**

Developing high-speed rail in California is essential for continued growth and prosperity. OCBC contends that the High-Speed Rail Authority is meeting its promise to California voters. HSR must start somewhere, and the Initial Operating Segment and strategy identified in the revised 2012 Business Plan is worth pursuing. We look forward to HSR's eventual arrival in Orange County.

Transportation infrastructure is a building block to the local and regional economy and businesses in California need mobility choices for both operations and employees. Transportation solutions like HSR help keep and attract companies to California and Orange County. Without question, HSR will provide relief to capacity challenged freeways and airports while simultaneously improving the state's network of passenger rail options. The section of HSR that travels between Los Angeles and Orange County is part of the LOSSAN corridor, the second busiest passenger rail corridor in the country. HSR will enhance the LOSSAN corridor in such a way that benefits existing commuter and freight rail services for both Southern California and the entire national goods movement network. As robust passenger rail ridership already exists, the introduction of HSR increases train ridership in the region – supporting the review of independent experts that have validated the Authority's ridership and revenue projections as reasonable and realistic.

3 Park Plaza, Suite 100, Irvine, CA 92614
(949) 476-2242 • FAX (949) 476-0240
http://www.ocbc.org

OCBC is grateful for the Congressional Sub-Committee's efforts to ensure that this ground-breaking project is undertaken in a manner that is transparent and factual and appreciate the opportunity to reaffirm our long-standing and continued support.

Sincerely,



Lucy Dunn
President and CEO
Orange County Business Council

LD:jl:bs
Cc: Bryan Starr, Senior Vice President, Government Affairs, OCBC

SILICON VALLEY LEADERSHIP GROUP

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STEPHEN DEWITT
Hewlett-Packard Company
MICHAEL ENGH, S.J.
Santa Clara University
BILL ENQUIST
Stryker Endoscopy
TOM FALLON
Infinera
TOM GEORGENS
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TARKAN MANER
Wyse Technology
ALBERTO MAS
BD Biosciences
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Echelon Corporation
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San Jose Mercury News
RICK WALLACE
KLA-Tencor
JED YORK
San Francisco 49ers
Established in 1978 by
DAVID PACKARD

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

I write on behalf of the Silicon Valley Leadership Group to express our support for High-Speed Rail (HSR) in California.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 375 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation, education, housing, health care, tax policies, and the environment. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley and have more than $3 trillion in annual revenue.

The Leadership Group has long championed improvements to our transportation system that improve our quality of life and ability to conduct business. The organization supports HSR, particularly as it currently is envisioned – as a critical part of the State's overall rail modernization program. We have been terribly impressed with the leadership provided by Governor Brown and his appointees to the HSR Authority. Their approach towards the project and community has breathed new life into the project and set it on a solid course to realization.

We particularly embrace the blended approach to the project, with simultaneous investment in dedicated high-speed rail infrastructure in the Central Valley and in improvements to existing regional rail systems.

Implementing a statewide rail modernization program for the 21st Century involves partnering with federal, state and regional transportation agencies and groups. We are grateful for this partnership with the federal government and look forward to continued collaboration.

Sincerely,

Jessica Zenk
Senior Director, Transportation Policy

May 24, 2013

The Honorable Jeff Denham, Chairman
U.S. House of Representatives Subcommittee on
Railroads, Pipelines, and Hazardous Materials
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown, Ranking Member
U.S. House of Representatives Subcommittee on
Railroads, Pipelines, and Hazardous Materials
2165 Rayburn House Office Building
Washington, D.C. 20515

SUBJECT: Oversight of California High Speed Rail

Dear Congressmembers Denham and Brown,

The Valley Industry and Commerce Association (VICA) supports the construction of the California High Speed Rail (HSR) system.

With our $1.9 trillion economy, California ranks among the 10 largest economies in the world. However, our state's transportation infrastructure is straining to keep up with increased demands. Due to inefficiencies in our roadways, Californians waste nearly $19 billion annually in lost productivity and wasted fuel.

HSR will connect California's urban centers, providing increased access and mobility to residents in communities throughout the state. The system will optimize the use of existing regional transit systems, immediately providing early investment dollars to improve Southern California's rail system. Its phased approach will ensure Californians realize the benefits of HSR sooner and more cost-effectively.

The construction of this system will also put thousands of Californians back to work. The construction industry has been decimated by the economic recession. Construction of the first segment of the Initial Operating Section alone is expected to generate 100,000 jobs.

Additionally, California's economic competiveness will be strengthened by creating a more efficient and effective transportation system. Station cities are anxious to reap the economic development benefits that will follow the transit-oriented development planned at each station, including retail centers, restaurants and improved multimodal centers promoting more walkable communities.

All told, HSR is critical to California's sustainable economic recovery. It will ensure that California can once again lead the way in innovation, transportation planning and economic development opportunities.

We strongly encourage you to support construction of the HSR system. The cost of not building the system will leave our highways mired in congestion and our economic foundation weak.

Sincerely,

David Adelman
Chair

Stuart Waldman
President

Valley Industry & Commerce Association • 5121 Van Nuys Blvd., Ste. 208, Sherman Oaks, CA 91403 • phone: 818.817.0545 • fax: 818.907.7934 • www.vica.com

the Valley to access:

- Better, higher paying jobs;
- Higher quality medical care at more affordable cost;
- Entertainment, cultural, sports and recreation attractions that enhance quality of life.

High speed rail will also allow companies easily to access and bring their operations to Central Valley cities. Around the world, HSR has drawn companies in search of lower costs to cities located between large metropolitan areas. Valley cities can expect massive investment in their economies with the convenient access HSR provides.

The Valley's current dependence on driving to reach these important centers of economic and cultural activity not only limits its potential today but creates barriers that will become more serious in future years because:

- The cost of driving will continue to rise – not just for fuel, but for maintenance, insurance and tires as well as vehicle purchase prices and financing costs.
- Road congestion will continue to be an intractable problem that will increase trip times and reduce reliability.
- The anxiety, stress and fatigue of fighting heavy traffic, giant trucks, sudden fogs, and all too frequent wrecks will continue to degrade quality of life.

Of even greater concern is the fact that the Valley's dependence on cars will limit its ability to attract – or even retain – the younger generations so necessary to its long term vitality. A report released on May 14, 2013 by the U. S. Public Interest Research Group Education Fund concluded that:

- The Millennials (people born between 1983 and 2000) are now the largest generation in the United States.
- Millennials are more likely to want to live in urban and walkable neighborhoods; they are more open to non-driving forms of transportation than older Americans.
- The Millennial generation has led the recent change in transportation trends—driving significantly less than previous generations of young Americans.
- Their choices will play a crucial role in determining future transportation infrastructure needs.

Because the Valley currently has so few alternatives to driving, it is not currently positioned to accommodate this significant shift in mobility preferences. For most people, flying is out of the question. Yesterday, United quoted the following one way fares from Fresno: $594 to Los Angeles and $616 to San Francisco. Also, airlines have been reducing service to smaller airports.

The train, however, is an increasingly popular choice. In 2012, the San Joaquin trains carried 1,124,900 passengers – **a 43% increase in just six years.** Fresno alone had 384,000 passengers – that's equal to 40% of all people who live within 25 miles of the Fresno station.

- Train fares are affordable. Yesterday, Amtrak quoted just $32 from Fresno to San Francisco and $34 to Los Angeles.
- But the service is slow: roughly 4 ½ hours to either the Bay Area or Southern California.
- Moreover, the train trip requires transfer to a bus (with no handicap capability) to reach both San Francisco and Los Angeles.
- The trip to Los Angeles is particularly unattractive, requiring a grueling 2 ½ hour ride from Bakersfield over the Grapevine on I-5.

Despite these drawbacks, the public's growing embrace of train travel in the Valley demonstrates how peoples' mobility preferences are changing and shows the latent demand for high speed rail. Slash the trip times, provide a "single-seat ride" with on time arrivals and – as experience on the East Coast and in other countries has shown – the peoples' choice tips toward rail. Operating costs become more efficient, too, as the equipment and personnel are able to cover more trips– and serve many more passengers.

"Predictions are always difficult, especially about the future," Yogi Berra famously quipped. The high speed rail plan required such difficult predictions. While the economic crisis of the past several years suggested the possibility of reduced population growth, our state's long term trend has always been upward. In 2012, as economic recovery continued, California added nearly 300,000 new residents, pushing the total population to almost 38 million.

While we cannot predict the future precisely, we can be certain that the Golden State's ingenuity, opportunity and ideal living conditions will continue to attract businesses and residents in search of the California Dream. The question is not whether California's population will grow to 50 million, only how quickly. High speed rail will both stimulate and support future growth. Since major infrastructure projects all have long lead times, we need to start now.

No one denies that $68 billion is a lot of money. But $235 billion is significantly more and that's the amount of taxpayer funds that the State of California will likely spend over the next 15 years on conventional transportation (85% of it road related). Unfortunately, this spending at best will only maintain the status quo, which people find increasingly unsatisfactory.

The high speed rail project represents just 29 cents of every dollar that state will spend on legacy infrastructure. But, that additional 29 cents will do more than build just another congested lane or another crowded gate. It will provide Californians with an entirely new, state-of-the-art mobility choice that delivers comfort, convenience, safety and affordability that the infrastructure of the last century can never provide.

Without affordable, high quality mobility, it is unlikely that the Valley will participate in the prosperity and quality of life that other Californians will enjoy in the decades to come. The Valley's future hinges on building the high speed rail system. We need to start here, this year.

Like the Northeast Corridor, this project has national significance. Like the Northeast Corridor, it will provide mobility that makes the nation more globally competitive. Like the Northeast

Corridor, it merits significant federal investment.

A strong commitment from the Federal Government today will not only accelerate completion but lay the foundation for private sector investment. Congress can and should be the catalyst for the funding needed to complete the project and deliver the benefits of modern mobility to the Valley, to California and to the nation in a shorter period of time.

We are depending on our elected representatives in Congress to provide that commitment.

Thank you for the opportunity to present our views on this vitally important project.

Sincerely yours,



George L. Chilson
Chairman
Californians For High Speed Rail

Cc:
Governor Edmund G. Brown, Jr.
Joseph C. Szabo, Administrator, Federal Railroad Administration
Karen Hedlund, Deputy Administrator, Federal Railroad Administration
Dan Richard, Chairperson, California High-Speed Rail Authority
Jeff Morales, CEO, California High-Speed Rail Authority
Senator Dianne Feinstein
Senator Barbara Boxer
House Minority Leader Representative Nancy Pelosi

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May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

Thank you for holding the upcoming field hearing regarding the status of the California high-speed rail project. The project has evolved significantly over the last several years and, thanks to new leadership and a recently updated business plan, it is poised to provide the state with the benefits that California voters anticipated when they approved investing nearly $10 billion in a state-of-the-art high-speed rail system in 2008.

Over the last two years, the California High Speed Rail Authority has prioritized the involvement of public transportation agencies and local communities in their efforts. This collaboration has resulted in the adoption of a 2012 Business Plan and two regional Memorandums of Understanding demonstrating that the Authority is committed to advancing the project in a way that addresses local concerns to the fullest extent possible and provides significant near-term public transportation benefits to surrounding communities.

The blended system approach that the Authority has embraced will help control costs, facilitate project delivery and minimize impacts on local communities by allowing high-speed rail and existing commuter systems to share infrastructure where appropriate. As a part of this approach, the Authority has also committed to accelerating investment in improvements that will offer more immediate benefits to existing regional rail systems.

For Caltrain, this means an opportunity to advance the modernization and electrification of the rail corridor. Thanks to investment associated with the high-speed rail project, Bay Area commuters can look forward to the transformation of Caltrain's existing diesel service into a modernized system featuring high-performance electric vehicles that will connect Peninsula communities with quieter, safer, more reliable, faster and/or more frequent service to more riders and more stations between San Francisco and San Jose.

With investments like these ready to be made throughout the state, Californians can finally look forward to a large scale statewide infrastructure project that will foster the kind of economic growth and job creation envisioned when the program was prioritized as a part of the American Recovery and Reinvestment Act. In the Bay Area alone, investment in the modernization and electrification of the Caltrain corridor is projected to create 9,581 job-years of full time employment for California workers and adds almost $1 billion to the gross state product.

PENINSULA CORRIDOR JOINT POWERS BOARD
1250 San Carlos Ave. – P.O. Box 3006
San Carlos, CA 94070-1306 650.508.6269

The Bay Area's population continues to grow along with the rest of the state's. The creation of a statewide high speed rail system and the associated improvements to local and regional public transportation systems are an essential part of our efforts to ensure that we can accommodate this growth by connecting communities to each other and the rest of the state with efficient, reliable, clean, affordable transportation alternatives that also help promote the state's economic competitiveness.

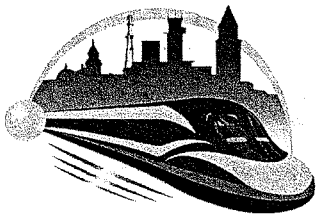
Once again, thank you for providing an opportunity to highlight these important efforts. If you have any questions, please feel free to get in touch anytime.

Sincerely,

Mike Scanlon

Michael J. Scanlon
Executive Director

cc: Peninsula Corridor Joint Powers Board of Directors
Executive Team
Caltrain State Legislative Delegation
Caltrain Federal Legislative Delegation
Jeff Morales, CEO High Speed Rail Authority



GREATER MERCED HIGH-SPEED RAIL COMMITTEE
177 W. El Portal Drive
Merced, CA 95348
209-240-5868

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

I am writing as the Chairman of the Greater Merced High-Speed Rail Committee to express my ongoing support of the California High-Speed Rail system and the federal funding that will contribute to the construction of this statewide system.

I am proud to say that since 2003 members of the Greater Merced High-Speed Rail Committee have worked hard to advocate for and advance high-speed rail, and educate local residents and community representatives about high-speed rail and the economic benefit it can bring to the Merced region.

It is my understanding that the Congressional Subcommittee on Railroads, Pipelines, and Hazardous Materials, chaired by U.S. Representative Jeff Denham will hold a hearing in Madera to examine the status of the California High-Speed Rail project during an oversight field hearing next week. While I understand the frustration in the numerous ongoing challenges and changes with the proposed high-speed rail system, it is to be expected in the development,

funding and construction of such a complex transportation system that has no precedent in the United States.

The purpose of this letter is to urge you to truly consider the direct and indirect economic impacts high-speed rail will have for the State of California and the Central Valley region. I would also like to remind you that the eight county central valley region suffers from chronic double digit unemployment ranging from a low of 12.1 percent in Kern County to a high of 15.5 percent in Merced County (according to the California Employment Development Department) as seen below:

- Fresno – 13.4 percent
- Kern – 12.1 percent
- Kings – 13.8 percent
- Madera – 12.4 percent
- Merced – 15.5 percent
- San Joaquin – 12.9 percent
- Stanislaus – 13.4 percent
- Tulare – 13.7 percent

Given this sad and frustrating economic reality, I ask you what economic stimulus will you replace high-speed rail to bring NEW economic opportunities to your district and the Central Valley region? I also want to remind you that if our elected officials would have required a perfect flawless business plan before advancing UC Merced, there is a good chance it would have never been built and benefited the Merced and surrounding community.

While I know it is your intent to block federal funding for the proposed system, I ask you to channel your energy and make recommendations on how to repair what flaws you see and criticisms you have. In terms of funding, I understand your concerns about funding such an expensive system, but I would like to remind you that some of the most significant infrastructure investments in our country were made during challenging economic times and that commerce would not have advanced if it were not for this infrastructure investment.

In closing, I urge you to support federal funding to help develop and construct the California high speed rail system.

Sincerely,

Dr. Lee R Boese, Jr.

Dr. Lee Boese, Jr.
Chairman
Greater Merced High-Speed Rail Committee, Inc.

May 24th, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

"I Will Ride" is a grassroots group of University students and young professionals advocating for sound transportation policy, specifically the California High Speed Rail project. Created by a group of students at UC Merced who believed they were not being heard, I Will Ride has grown to include students from campuses in every corner of the state. We are organized around the principle that our generation deserves world-class transportation, and that we are the ones who are willing to make a big investment to bring high-speed rail to California.

While we recognize that this project has suffered from mismanagement under previous administrations, we applaud Governor Brown for bringing real reform to the California High Speed Rail Authority. Since the Governor began making structural changes to the governing body of California's High Speed Rail system, we have seen a number of improvements. Perhaps the most notable improvement is the reduced cost of the High Speed Rail business plan by approximately thirty billion dollars. We believe that the blended system dramatically reduces the overall cost of the project and at the same time revives old railway infrastructure and stimulates the California economy. Given our high statewide unemployment rate, this is necessary for the betterment of communities all across the Golden State. Yet another testament to the improved management of this project is the recent bid to build High Speed Rail in California, which came in under budget by millions of dollars. While we understand skepticism of such a large project during times of economic hardship, we find this kind of investment in our future to be necessary. It is the right project at the right time. This is not the time to sit idly by and let significant dollars slated for infrastructure improvement head to other state projects. My generation has a reputation for being ambitious, resourceful, even stubborn— but it is that persistence that helps to drive our hopes of being successful. We hope to be lawyers, doctors, businessman, artists, songwriters, teachers, and parents. As we grow older and begin to give back to society, we hope to use High Speed Rail as an efficient, cost-effective mode of transportation.

By investing in California, you are investing in our whole nation, in the great state of California, and in the people who dream to better America's future. Above all else, we have one message: If you help us build it, we will ride it.

Sincerely,
Michael Lomio
Founding member, I Will Ride

I Will Ride Commentary

By: Michael Lomio

Spring is here, and while the season means many things to many people, to us college students, it means school is almost out. For a lucky few, it means graduating and entering the workforce. However, this spring is also especially important to us in the Central Valley, because the first major work on the high-speed rail project is just around the corner.

Since Californians approved Proposition 1A back in 2008, there has been a tremendous amount of effort put into designing and planning the system. Now, high-speed rail in California is poised to become a reality. "I Will Ride," a group of students and young professionals dedicated to supporting the high-speed rail project, couldn't be more excited about this great step forward and what it means for our future as the next generation of trailblazers in the Golden State.

One of the reasons we support high-speed rail as passionately as we do is because we know our generation wants new transportation options. As more people move away from their cars and onto alternative transportation, travel patterns have begun to show long-term changes. In fact, according to The Frontier Group, a world-renowned think tank, between 2001 and 2009 the average yearly number of miles driven by 16 to 34 year-olds has dropped by 23 percent.

Now, you may be harkening back to your college days and thinking this trend simply proves that us starving students can't afford a car, or the insurance, or even buy enough gas to get anywhere. And just starting out in the workforce? Forget about it. You drove what you could afford to get you where you needed to go, and that was it.

But the authors of the study also found that this trend towards reduced driving within younger age groups has occurred even among young people who are employed and financially stable. Now more than ever, young people are looking for alternative methods to get where they need to go. When planning for the future, does it make sense to look at the old transportation models and spend hundreds of millions of dollars doing more of the same? We don't think so.

Over the past 10 years, the Central Valley has been the fastest growing region in the state. We've seen our population increase by 17 percent compared to 10 percent statewide. Today, the cities of Fresno and Bakersfield have respectable populations of 500,000 and 350,000, and have become major financial, business, and academic centers. Should we think about widening Highway 99 to 10 lanes to accommodate traffic? How long until that fills up? And how much will maintenance on those lanes cost year after year? We think it's time for a new, more sustainable mode of long-range transportation.

The students and young professionals that constitute "I Will Ride" take pride in going to college and working in a place that is proud of its agricultural roots and small-town feel and optimistic atmosphere. However, we also believe that we are ready to embrace high-speed rail and the countless economic and environmental benefits it will bring. Oftentimes, when we talk about high-speed rail, people ask us why the project is starting in the Central Valley instead of the Bay

Area or LA. They'll say, "Isn't that the middle of nowhere? Well, we don't think a thriving region like the Central Valley, with its seven million residents, can or should be considered the middle of nowhere.

With the completion of high-speed rail, Central Valley residents will be connected to the rest of the state like never before. In under an hour, we will be able to travel to San Francisco or Los Angeles; without the hassle of airport security or high-priced gasoline. And, high-speed rail will make several stops in Central Valley cities, so folks from the Bay Area and Los Angeles will be able to more easily and frequently travel to Central Valley cities. Not only will this help revitalize Central Valley downtowns, the economic development associated with high-speed rail stations will bring in new sources of revenue and add jobs.

In addition, UC Merced, CSU Fresno, and CSU Bakersfield have already begun exploring opportunities for high-speed rail focused educational programs. We could be on the cusp of becoming the nation's high-speed rail technology hub, a prospect that would only add to the immense benefits enjoyed by the Central Valley thanks to this project.

If you're not sold on the statistics that project the future travel habits of young adults, you should also consider a recent report from the U.S. Government Accountability Office (GAO). In their April 2013 report, the GAO found that the Authority's methods and models they have used in their 2012 Business Plan are reasonable and once fully operational; the high-speed rail system will be able to operate without a government subsidy.

It sounds like a win-win to us, and we have the facts to support it. High-speed rail is the future of the Central Valley, and of California, and it will benefit California's residents for years to come. If they build it, I will ride it.

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

I wish to express my sincere appreciation and support to the CHSRA, Jeff Morales, Diana Gomez and members of their executive team for the fine work they have done thus far. We have met with responsive, professional, attentive representatives who have done an excellent job communicating with me and my staff about the proposed work to be done adjacent to our facilities, at every stage of the process. Not only have they listened but they have incorporated my concerns and offered realistic solutions. Three of our properties will be affected by the project; HSR staff members have returned calls, answered questions and helped develop viable options for redirecting our traffic flow in order to provide continuous La Tapatia Tortilleria operations. For that, I am appreciative. As a small, family-owned business I am encouraged and look forward to the many employment opportunities this project will create for the local economy.

Sincerely,

Helen Chavez-Hansen
President/Owner

La Tapatia Tortilleria, Inc.
104 E. Belmont
Fresno, CA 93701
Ph: 559.441.1030
Fx: 559.320.0219
carlalombardi@latapatiaca.com

Building and Construction Trades Council of Alameda County, AFL-CIO

8400 Enterprise Way, #205
Oakland, Ca. 94621 – btca@sbcglobal.net
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Lathers, #68L
Millwrights, #102
Operating Engineers, #3
Painters, #3
Pile Drivers, #34
Plasterers, #66
Plumbers & Steamfitters, #342
Roofers, #81
Sheet Metal Workers, #104
Sign & Display, #510
Sprinkler Fitters, #483
Teamsters, #853
U.A., Utilities / Landscape, #355

May 28, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So lets create those jobs and get to work now.

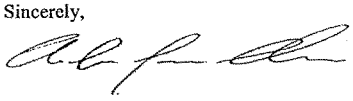
We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High- Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

High-Speed Rail is proving tremendously successful around the world. In Europe and Asia, it is proving to be the mode of choice along corridors with population centers 100 to 500 miles apart, precisely the type of corridor that California's High-Speed Rail will serve. California, both geographically and economically, is practically designed for High-Speed Rail.

Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,



Andreas Cluver
Secretary Treasurer

AC:op
Opeiu:29/afl-cio

Los Angeles / Orange Counties
Building and Construction
Trades Council

Affiliated with the Building & Construction Trades Dept., AFL-CIO

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RON MILLER
Executive Secretary

May 28, 2013

Honorable Jeff Denham
1730 Longworth HOB
Washington, D.C. 20515

Dear Congressman Denham:

I am the Executive Secretary of the Los Angeles/Orange Counties Building and Construction Trades Council, representing 140,000 skilled construction workers in 52 local affiliated unions in 14 Trades.

We greatly appreciate the opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building.
Our country is in a crisis of finding career opportunities for those who do not go to college. The Building Trades, through our projects, are providing an effective plan for these demands. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. All our workers are exclusively employed by private construction companies that are awarded projects by offering the lowest bid, using a streamlined, skilled workforce, completing the project in the least amount of time, building it once and doing it right.

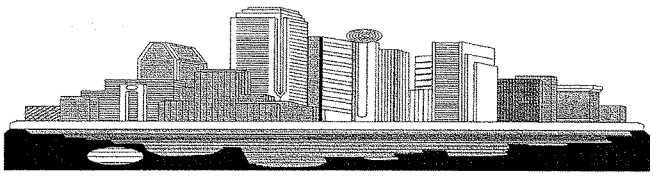
Unemployment for construction workers in Southern California still reaches 25 to 40 percent for many of our local unions. In the Central Valley of California, it is even worse. We stand with our brothers and sisters in our commitment to start High-Speed Rail in the area where the need for jobs is greatest.

This project has benefits that will reach every American in the future. It will provide a clean, efficient and badly needed third mode of mass transit. It will lead to a nationwide high-speed rail system to alleviate the gridlock at our airports, congestion in our skies and total dependence on cars and interstate freeways to move our citizens. Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.
High-Speed Rail is proving tremendously successful around the world. In Europe and Asia, it is the mode of choice along corridors with population centers 100 to 500 miles apart, precisely the type of corridor that California's High-Speed Rail will serve.

We can and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project which will serve the public for many decades. Just as the Interstate Highway system met the demands of its time, High-Speed Rail will serve us in the future.

Sincerely,

Ron Miller
Executive Secretary



San Diego County Building & Construction Trades Council, AFL-CIO

May 23, 2013

Dear Congressman Denham,

San Diego's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents approximately 30,000 construction workers in the state of California. These workers are employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So let's create those jobs and get to work now.

We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High- Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

High-Speed Rail is proving tremendously successful around the world. In Europe and Asia, it is proving to be the mode of choice along corridors with population centers 100 to 500 miles apart, precisely the type of corridor that California's High-Speed Rail will serve. California, both geographically and economically, is practically designed for High-Speed Rail.

Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. San Diego Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

Tom Lemmon
Business Manager

3737 Camino del Rio So. Suite 202, San Diego, CA 92108 Telephone: (619) 521-2914 Fax (619) 521-2917

Building and Construction Trades Council

of

STANISLAUS, MERCED, TUOLUMNE AND MARIPOSA COUNTIES

P.O. Box 1890 MODESTO, CALIFORNIA 95353-1890

PHONE (209) 527-6105 FAX (209) 527-6104

e-mail:bc-tradescouncil@sbcglobal.net

TONY LEDOUX
President

BILLY POWELL
Financial Secretary-Treasurer

May 28, 2013

Dear Congressman Denham:

The Construction and Building Trades workers of the Central Valley appreciate this opportunity to comment on California's High-Speed Rail project. Our transportation system is urgently in need of this improvement and we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

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Sincerely,

International Brotherhood Electrical Workers

AFL-CIO
Local Union No. 332
2125 CANOAS GARDEN AVENUE, SUITE 100
SAN JOSE, CALIFORNIA 95125
Telephone: (408) 269-4332
Fax: (408) 979-5500

May 28, 2013

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CELEBRATING 100 Years 1912-2012

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Sincerely,

Gerald E. Pfeiffer
Business Manager/Financial Secretary
IBEW Local 332

International Brotherhood of Electrical Workers
Local Union 340

2840 El Centro Road, Suite 115, Sacramento, CA 95833
Phone (916) 927-IBEW • FAX (916) 927-1074 • www.ibewlocal340.org

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Sincerely,

ELECTRICAL WORKERS' UNION
Local No. 340

A. C. Steelman
Business Manager

cc: Robbie Hunter
State Building and Construction Trades Council of California

dec
opeiu@29
afl-cio

International Brotherhood of Electrical Workers
Local Union 340

2840 El Centro Road, Suite 115, Sacramento, CA 95833
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ELECTRICAL WORKERS' UNION
Local No. 340

Robert Williams Jr.
Assistant Business Manager

cc: Robbie Hunter
State Building and Construction Trades Council of California

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opeiu@29
afl-cio

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ELECTRICAL WORKERS' UNION
Local No. 340

D'Elman Clark
Assistant Business Manager

cc: Robbie Hunter
State Building and Construction Trades Council of California

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ELECTRICAL WORKERS' UNION
Local No. 340

Scott Steelman
Assistant Business Manager

cc: Robbie Hunter
State Building and Construction Trades Council of California

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opeiu@29
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International Brotherhood of Electrical Workers
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ELECTRICAL WORKERS' UNION
Local No. 340

Timothy J Wyatt
Assistant Business Manager

cc: Robbie Hunter
State Building and Construction Trades Council of California

dec
opeiu@29
afl-cio

International Brotherhood of Electrical Workers
LOCAL UNION No. 639
6363 Edna Road, San Luis Obispo, CA 93401 (805) 543-5693

May 28, 2013

Dear Congressman Denham,

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Sincerely,

Mark D Simonin
Business Manager
IBEW Local Union 639

Local Union 684
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS
Serving Stanislaus, Merced, Tuolumne, and Mariposa Counties Since 1910

May 28, 2013

Dear Congressman Denham:

The Electrical Workers of IBEW Local 684 appreciate this opportunity to comment on California's High-Speed Rail project. Our transportation system is urgently in need of this improvement and we are eager to begin building. The IBEW represents 40,000 construction workers in the state of California. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

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We can pay for employment or we can pay for unemployment. Put Californians back to work rebuilding the roads, bridges, and world-class infrastructure that make California a good place to do business. Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

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We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High- Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more

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Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. The electrical workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public long into the future.

Sincerely,



Bobby Stutzman
President Elect

International Brotherhood of Electrical Workers

LOCAL UNION NO. 234
10300 Merritt Street
Castroville, CA 95012
www.ibew234.org

(800) 499-4239
(831) 633-2311
Fax (831) 633-0570

The Electrician's Union for Monterey, San Benito, and Santa Cruz County

May 28, 2013

Dear Congressman Denham,

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Sincerely,

Andy Hartmann
Business Manager

UNITED ASSOCIATION
of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

Founded 1889

Robert J. Lamb II
International Representative
California & Hawai'i
Phone/Fax: (714) 827-7859
e-mail:robertl@uanet.org

May 23, 2013

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William P. Hite
General President

Mark McManus
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

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Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.
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Sincerely,

Robert J. Lamb II
United Association International Representative
California and Hawai'i

William P. Hite
General President

Mark McManus
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

International Brotherhood of Electrical Workers

Local No. 952
3994 East Main Street,
Ventura, California 93003
(805) 642-2149
(805) 642-6104
Fax (805) 658-7507

Reply to:
P.O. Box 3908
Ventura, California 93006

Shane Werner
Business Manager

Jeffrey G. Bode
Organizer

May 28, 2013

Honorable Jeff Denham
US House of Representatives
1730 Longworth House Office Bldg.
Washington, DC 20515

Dear Congressman Denham,

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-over-

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Sincerely,

Shane Werner
Business Manager / Financial Secretary

B.A.C. LOCAL No. 3, CALIFORNIA
Bricklayers and Allied Craftworkers
AFL-CIO
10806 Bigge St.
San Leandro, CA 94577
Phone: (510) 632-8781
Facsimile: (510) 632-8261

May 23, 2013

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Fraternally,

Dave Jackson
President
BAC 3 CA

BRICKLAYERS AND ALLIED CRAFTS LOCAL NO. 3
JOINT APPRENTICE TRAINING & EDUCATION COMMITTEE

May 23, 2013

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Sincerely,

Michael R. Height
Apprenticeship Coordinator

MDC
Mason Development Center
25347 So. Schulte Road
Tracy, CA 95377

PHONE: (209) 830-7200
FAX: (209) 830-7202
WEB SITE: www.bac3train.com

United Union of Roofers
Waterproofers and Allied Workers

Local Union No. 36

Phone: (323) 222-0251
Fax: (323) 222-3585

May 28, 2013

Dear Congressman Denham,

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Sincerely,

Cliff Smith
Business Manager

Heat and Frost Insulators and Allied Workers Local Union No. 16
AFFILIATED WITH THE AFL-CIO AND BUILDING AND CONSTRUCTION TRADES DEPARTMENT

3801 PARK ROAD
BENICIA, CA 94510

(707) 748-1616
FAX (707) 748-1620
www.insulators16-wica.com

May 23, 2013

Re: California High Speed Rail Project

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Respectfully,

Chris Greaney
Business Representative

CG/cw/opeiu#3/cio/Del High Speed Rail 05213

Building Trades Council
Kern, Inyo, & Mono Counties of California AFL-CIO

May 28, 2013

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JOHN SPALDING
EXECUTIVE SECRETARY
661-323-7957 OFFICE
661-327-8379 FAX
200 WEST JEFFREY STREET
BAKERSFIELD, CALIFORNIA 93305-2434

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Sincerely,

John Spaulding

Executive Secretary

Building and Construction Trades Council
of Humboldt and Del Norte Counties
840 E Street, Suite 3, Eureka, California 95501
Telephone: (707) 599-0899
bctchdn@gmail.com

May 23, 2013

Congressman Jeff Denham
4701 Sisk Road, Suite 202
Modesto, CA 95356
Phone: (209) 579-5458
Fax: (209) 579-5028

Regarding: **California High Speed Rail Project Hearing, May 28, 2013**

Dear Congressman Denham,

Please consider our letter of support for the construction of the High Speed Rail Project. Many of our area construction workers have had to leave the area in search of low paying jobs. The recession has really hurt the construction industry. Our member trade unions have not given up hope, but have continued to invest most of our resources into high quality apprenticeship and journeyman training programs to prepare for rebuilding California's aging infrastructure. We sponsor "Helmets to Hard Hats" and "Veterans in Piping (VIP)" programs to place returning Middle East vets into our workforce. This is only successful if we have job opportunities.

The benefits of this project are too numerous to list in this brief letter, but key on tremendous advantages to future growth of California's business, environmental enhancement, job creation, and added tax base by putting hundreds of thousands of workers to work for generations to come.
It is a wise investment into California's future.

King Ludwig of Bavaria was criticized and mocked by investing into a castle in the mountains, and decades after his death, it became the model for the Disneyland Castle. It provides worldwide tourism income for Germany forever. The High Speed Rail Project is monumental, but provides that sense of vision, but with real economic growth.
It is a win - win for the Valley, For California, and the Nation.
Please consider our strong support for this project.
Sincerely,

Sid Berg

Sid Berg, Financial Secretary / Treasurer

CC:
Congressman Jared Huffman

Building Trades
The outstanding workforce

Santa Clara & San Benito Counties
Building & Construction Trades Council

2102 Almaden Road Suite 101, San Jose, CA 95125-2190 · Phone 408.265.7643 · Fax 408.265.2080

Neil M. Struthers
Chief Executive Officer
Josué García
Deputy Executive Officer
Robert Baldini
President

Asbestos Workers 16
Boilermakers 549
Brick & Tile 3
Northern California Carpenters Regional Council
Carpenters 405
Carpet & Linoleum 12
Cement Masons 400
Drywall Lathers 9144
Electricians 332
Elevator Constructors 8
Glaziers 1621
Iron Workers 377
Laborers 270
Laborers 67
Millmen 262
Millwrights 102
Operating Engineers 3
Painters District Council 16
Painters 507
Plasterers 300
Plumbers & Steamfitters 393
Roofers & Waterproofers 95
Sheet Metal Workers 104
Sign, Display 510
Sprinkler Fitters 483
Teamsters 287

Affiliated with:
State Building and Construction Trades Council of California
California Labor Federation, AFL-CIO
California Labor C.O.P.E.
South Bay AFL-CIO Labor Council

May 28, 2013

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Sincerely,

Neil Struthers
CEO

UNITED ASSOCIATION
of Journeymen and Apprentices of the
Plumbing and Pipe Fitting Industry of
the United States and Canada

Bob Jennings
Business Manager/
Financial Secretary, Treasurer

Tom Avila
Business Representative

William P. Hite
General President

Patrick R. Perno
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

Founded 1889

Letters should be confined to one subject

UA Local Union: #246 1303 N. Rabe Ave., #101 • Fresno, CA 93727
(559) 252-7246 • Fax (559) 252-1766

Subject:

May 28, 2013

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We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High-Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more

expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

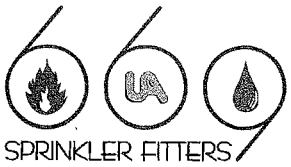
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Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

Bob Jennings
Business Manager U.A. Local 246



John D. Bodine, Sr.
Business Manager

Shawn Broadrick
Financial Secretary-Treasurer

James E. Tucker
President-Organizer

May 28, 2013

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Road Sprinkler Fitters Local Union No. 669
7050 Oakland Mills Road • Suite 200 • Columbia, Maryland 21046
(410) 381-4300 • fax: (301) 621-8045 • www.sprinklerfitters669.org

SPRINKLER FITTERS

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Sincerely,

John D. Bodine
Business Manager
LU 669

Dale H. O'Dell
Business Agent
Southern California, LU 669

Kevin G. Watson
Business Agent
Central California, LU 669

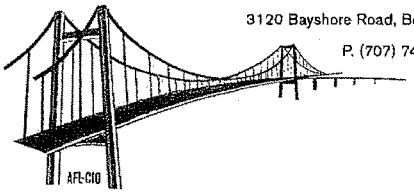
Charles Frame
Business Agent
Northern California, LU 669

IRON WORKERS LOCAL 378

UNION OFFICE OF BRIDGE, STRUCTURAL, ORNAMENTAL AND REINFORCING

3120 Bayshore Road, Benicia CA 94510 | www.ironworkers378.org

P. (707) 746-6100 | F. (707) 746-0979



Robert J. Lux
President
Business Agent

Jeff McEuen
Business Manager
Financial Secretary-
Treasurer

Jason Gallia
Business Agent

May 23, 2013

Dear Congressman Denham,

California's Building Trades workers would like this opportunity to support the California's High-Speed Rail project and needed improvement to our transportation system. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a highly-skilled workforce, completing the project safe, on time and under budget and drug free.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will provide clean, efficient third mode of mass transit for the people of the state, but will eventually lead to a nationwide high-speed rail system that would alleviate congestion in our skies and dependency on cars and interstate freeways to move our people. This can be done and our economy can be driven by this public works project that will serve the public and business, improve our environment, and drive our economy.

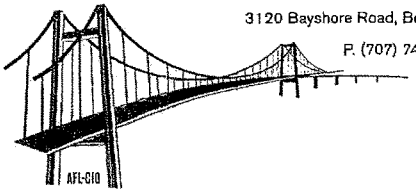
Our economy needs a more modern transportation system, our environment needs cleaner transportation, and our workers need many good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving and strongly oppose any further delays.

Over the life of the project many will be created, both short-term and permanent including many in the Central Valley. So let's start.

We simply can't afford not to start building High-Speed Rail now. California's population will reach 60 million by mid-century. High- Speed Rail is the best way of making sure our transportation infrastructure can meet our growing demand. Building more freeways would be more environmentally damaging.

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Robert J. Lux
President
Business Agent

Jeff McEuen
Business Manager
Financial Secretary-
Treasurer

Jason Gallia
Business Agent

High-Speed Rail is proving to be the transportation of choice along corridors with population centers 100 to 500 miles apart. California is geographically and economically great for High-Speed Rail. California Building Trades workers are ready to start working on this project. Proud to be given the opportunity to work on the greatest project in the world.

Sincerely,

Jason Gallia
Business Agent
Iron Workers Local 378

INTERNATIONAL ASSOCIATION
OF SHEET METAL,
AIR, RAIL AND
TRANSPORTATION
WORKERS

SHEET METAL WORKERS'
LOCAL UNION NO. 104
2610 CROW CANYON, STE. 300
SAN RAMON, CALIFORNIA 94583-1547
TEL: (925) 314-8600 • FAX: (925) 314-8620

Bruce Word
PRESIDENT/BUSINESS MANAGER

May 28, 2013

Congressman Jeff Denham
10th Congressional District of California
4701 Sisk Road, Suite 202
Modesto, CA 95356

Dear Congressman Denham,

The California Building Trades workers welcome this chance to comment on the High-Speed Rail project. It is a critically needed improvement that we are ready to begin building.

The California Building Trades represents 395,000 construction workers. And, of the 51,000 apprentices in California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by submitting the lowest bid and utilizing a highly-skilled workforce and completing projects on time, doing it once, and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and urgently needed third mode of mass transit for California, but could eventually lead to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways. This can be achieved, and at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

California's economy desperately needs a more modern, efficient transportation system. Our environment needs cleaner modes of transportation. Our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. Therefore, we fiercely support this project getting started immediately.

Spanning the life of the project, hundreds of thousands of short-term and permanent jobs will be created throughout the state. Many of those jobs will be in the Central Valley.

California just cannot afford to not begin construction on the High-Speed Rail now. California's transportation system is already overburdened and with California's population reaching 60 million by the middle of the century, the High-Speed Rail is the one viable means to ensure our transportation infrastructure is able to meet the growing necessity. Trying to deal with it by constructing *more* freeways and *more* airports would not only be *more* costly, it would also cause further damage to our environment.

High-Speed Rail systems have already proven to be tremendously successful around the world. In Europe and Asia, it has proven itself to be the mode of choice along corridors with population centers 100 to 500 miles apart, and this is exactly the type of corridor that California's High-Speed Rail will serve.

Should the High-Speed Rail project fail to come to fruition, most assuredly, California will be looking at a loss of economic productivity created by a longer commute. Traffic delays will increase. Stress levels will be challenged, increasing the likelihood of both physical and emotional health issues. And the quality of our environment will continue to be compromised.

We believe this infrastructure project will effectively serve Californians for decades, if not for a century or longer. To have the opportunity to work on a project of this magnitude is something California Building Trades workers are honored to be given.

Sincerely,

Bruce Word
President/Business Manager

jm:opeiu #3

May 28, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the State of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

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Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So lets create those jobs and get to work now.

We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High-Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

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Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

James P. Barcelos

State of California Certified Journeyman Electrician

May 28, 2013

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Sincerely,

Pete

Peter Halver

Modesto &Stockton Branch Manager

Northern California Chapter, National Electrical Contractors Association

JAMES J. CONWAY
CONSTRUCTION INDUSTRY CONSULTING
P.O. BOX 1100
DANVILLE, CA 94526
Email: jjconway@pacbell.net
Phone (415) 517-7214

May 22, 2013

The Honorable Jeff Denham
c/o California High Speed Rail Authority

RE: Support High Speed Rail

Dear Congressman Denham:

High Speed Rail may be the Central Valley's most vibrant vehicle for economic development.

California's residents and visitors deserve additional green transportation options, to alleviate pressure on congested roads and over-crowded airports. High Speed Rail clearly fits the bill.

Not only will this project create much needed jobs for construction workers and contractors, the ripple effects of economic reinvestment in local communities will be realized for decades. Service and support industries will thrive in an enduring economic boost.

Bold ideas require bold actions. Please support the immediate development and funding of the High Speed Rail project.

Sincerely,

James J. Conway

The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
Affiliated with AFL-CIO
5407 East Olive Avenue, Suite 16 • Fresno • California • 93727
(559) 251 7388 • Fax (559) 251 7729

Don M. Savory
Business Manager
Financial Secretary
Treasurer

May 28, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

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Our forefathers in this state and our country were the visionary's that put in place the freeways, bridges, railroads and dams that we rely on today. We owe our future generations the same considerations.

Sincerely,

Don M. Savory

Don M. Savory
Business Manager, F.S.T.

DMS/slp
ope29/aflcio

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Sincerely,

Ernie Wiens

Ernie Wiens
Vice President

EW/slp
ope29/aflcio

The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local Union 155
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Sincerely,

Jason Henson

Jason Henson
President

JH/slp
ope29/aflcio

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Sincerely,

Luis Gonzalez

Luis Gonzalez
Business Agent

LG/slp
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BRICKLAYERS & ALLIED CRAFTWORKERS

LOCAL NO. 4

SERVING CALIFORNIA

(626) 573-0032 • TOLL FREE 1-800 972-3338 • FAX (626) 573-5607

May 23, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So lets create those jobs and get to work now.

We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High-Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

12921 Ramona Boulevard, Suite F • Irwindale, CA 91706

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Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.

We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

Richard Whitney
President/Secretary-Treasurer
BAC Local 4

12921 Ramona Boulevard, Suite F • Irwindale, CA 91706

IBEW LOCAL UNION 477

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INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

1855 S. Business Center Drive
San Bernardino, CA 92408
(909) 890-0607
(909) 890-0659 Fax

JOHN A. BROWN
Business Manager/Financial Secretary

KENNY C. FELTS
President

IBEW LOCAL UNION 477

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NORTHERN CALIFORNIA TEAMSTERS
APPRENTICE TRAINING AND EDUCATION TRUST FUND
NCTAT& ETF • P.O. Box 1404 • Rancho Murieta, CA 95683 • 14738 Cantova Way
Phone: (916) 354-2122 • Fax: (916) 354-2234 • www.NCTAT.ORG

May 28, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right.

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Sincerely,

Phillip R. Winters

Phillip Winters
Executive Director

International Brotherhood of Electrical Workers

Local Union 441
309 N. Rampart Street
Suite M
Orange, CA 92868-1855

(714) 939-3131
(714) 939-3132 FAX
www.ibewoc.com

Douglas M. Chappell
Business Manager

Affiliated with:

Los Angeles/Orange Counties Building and Construction Trades Council

State Building and Construction Trade Council of California

California State Association of Electrical Workers

Joint Executive Conference, Southern California Electrical Workers

California Labor Federation

American Federation of Labor

Congress of Industrial Organizations

Orange County Federation of Labor, AFL-CIO

May 23, 2013

The Honorable Jeff Denham
United States House of Representatives
4701 Sisk Rd., Suite 202
Modesto, CA 95356

Dear Congressman Denham:

On behalf of the International Brotherhood of Electrical Workers, Local Union 441, I would like to express our support for California's High-Speed Rail project and appreciate this opportunity to comment on this urgently needed improvement to our transportation system. We are part of California's Building Trades, which represents 395,000 construction workers in the state of California. These workers are exclusively employed by private construction companies who are awarded projects by offering quality bids who will employ a streamlined highly-skilled workforce.

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Sincerely,

Douglas M. Chappell
Business Manager

DMC:db
Opeiu#537/afl-cio

Imperial County Building
P.O. Box 1327
El Centro, CA 92244

Construction Trades Council
Telephone (760) 355-1880
Facsimile (760) 355-1846

May 28, 2013

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Sincerely,

Sterling E. Mayes

Secretary/Treasurer

ICB&CTC

Ironworkers Local 433

International Association Of Bridge, Structural & Ornamental Iron Workers A.F.L.-C.I.O.

17495 HURLEY STREET EAST CITY OF INDUSTRY, CALIFORNIA 91744

PHONE: (626) 964-2500
FAX: (626) 964-1919
mike@ironworkers433.org

MICHAEL SILVEY
Financial Secretary-Treasurer
Business Manager

May 28, 2013

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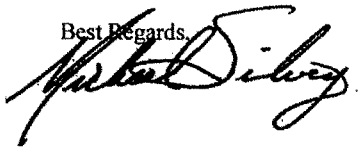
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Best Regards,



Michael Silvey
Business Manager
Ironworkers Local 433

UNITED ASSOCIATION
of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada

William P. Hite
General President

Mark McManus
General Secretary-Treasurer

Stephen F. Kelly
Assistant General President

Founded 1889

Letters should be confined to one subject

UA Local Union:

Subject:

Plumbers & Steamfitters Local Union #230
6313 Nancy Ridge Dr., San Diego, California 92121
(858) 554-0586 fax (858) 554-0591
www.ualocal230.org

Serving San Diego for over 100 Years
1900 - 2013

May 28, 2013

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Sincerely,

Kirk Crosswhite
Business Manager/Financial Secretary-Treasurer
United Association of Plumbers & Steamfitters
Local Union #230

KC/jj,
opeiu#537
afl-cio

Local Union 569
San Diego
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
4545 Viewridge Avenue, Suite 100 San Diego, CA 92123-1623 (858) 569-8900

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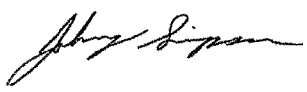
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Sincerely,



Johnny Simpson
Business Manager

JS:dkm
Opeiu #537, afl-cio, clc

International Brotherhood of Electrical Workers
Local Union No. 413

100 THOMAS RD.
BUELLTON, CA 93427

PHONE: 805/688-8083
FAX: 805/688-7144

May 28, 2013

The Honorable Jeff Denham
U.S. Representative

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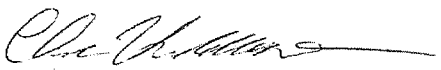
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Sincerely,



Chuck Huddleston
Business Manager
Local Union 413, IBEW

CH/mfr
Opeiu#537/afl-cio

COLLINS ELECTRICAL COMPANY INC.

May 23, 2013

Dear Congressman Denham,

I am writing as an electrical contractor toward the building of the California High Speed Rail project.

When I was first introduced to you, I did not know your position relative to the High Speed Rail project, however, as you explained through your speaking to the IBEW and local Modesto electrical contractors at Dewz Restaurant, I gained a respect for your position that the High Speed Rail is needed, but controls were required to prevent another project laden with delays and spiraling changes.

In attending another of your events at the Brookside Country Club, I heard the same positive discussion toward the High Speed Rail and was pleased to understand your position that much of trade work should be performed by Local Business. The California Central Valley is known for its concentration of highly qualified building tradesmen. Much effort through the State and Local Training Programs have developed young and talented electricians, plumbers, carpenters and the like, only to lose them to large organizations "over the hill" paying larger wage packages. Losing these talented tradesmen not only creates a void in the Central Valley construction market, but it creates bedroom communities and puts significant financial pressure on the Local Businesses.

To combat this exodus, the Central Valley needs Local Living Wage Jobs, which will ensure the discretionary money is spent in the Central Valley.

In addition to Local Jobs, the High Speed Rail will encourage new infrastructure and community development surrounding the HSR stopping points. One clear example of this occurrence is the Dublin/Livermore valley, where the (relatively) new BART station has created a new community of high-density residential, new infrastructure, new tax bases and an appealing skyline promoted by publicly and privately funded projects.

Our company, Collins Electrical, and my family, the Gini's of Sacramento, Stockton and Modesto, are in full support of your efforts to control the spending and to continue to cautiously expedite the HSR project. If there is anything we can do further to support your efforts, please feel free to call on us. Our company has been in business since 1928 in the above locations, and we are here to stay, we continue to support efforts that create jobs for our employees, and we are here to support new ideas that will help California remain a competitive force in the world.

State License # 115427

611 W. Fremont Street • Stockton, California 95203 • Tel (209) 466-3691 • Fax (209) 466-3146
www.collinselectric.com

Member of

COLLINS ELECTRICAL COMPANY INC.

Finally, I hope to see you in DC on June 27th. My daughter was awarded first place prize through your Congressional Art Contest and our family will be in DC for the installation ceremony. My daughter, and family, were very surprised, and we appreciate your investment and acknowledgement of Arts and Youth.

Have a great day.

Sincerely,
COLLINS ELECTRICAL COMPANY, INC.

Brian C. Gini, VP/Modesto Branch Manager

Cc: File
Chron

State License # 115427

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Member of

Con J. Franke Electric Inc.

ELECTRICAL CONTRACTING & ENGINEERING
STOCKTON CA. SINCE 1925

May 28, 2013

Dear Congressman Denham,

California's Building Trades workers appreciate this opportunity to comment on California's High-Speed Rail project, an urgently needed improvement to our transportation system that we are eager to begin building. The Building Trades represents 395,000 construction workers in the state of California. Of the 51,000 apprentices in the state of California's apprenticeship programs, 49,623 are in apprenticeships through the Building Trades. These workers are exclusively employed by private construction companies who are awarded projects by offering the lowest bid, using a streamlined highly-skilled workforce, completing the project in the least amount of time, building it once and doing it right. Unemployment for construction workers in the Central Valley of California is among the highest in the nation. This project will not only provide a clean, efficient and badly needed third mode of mass transit for the population of this state, but will eventually lead, we believe, to a nationwide high-speed rail system that would alleviate the gridlock at our airports, congestion in our skies, and total dependency on cars and interstate freeways to move our citizens. This can be achieved and, at the same time, our economy can be driven by this public works project that will serve the public and business, improve our environment, and absolutely drive our economy as only the economic multiplier of infrastructure and construction jobs can.

Our economy needs a more modern, efficient transportation system, our environment needs cleaner modes of transportation, and our workers need the hundreds of thousands of good new jobs High-Speed Rail will bring right now. We strongly support getting this project moving now, and strongly oppose any further delays.

Over the life of the project, hundreds of thousands of jobs will be created, both short-term and permanent, including a great many in the Central Valley. So let's create those jobs and get to work now.

We simply can't afford not to start building High-Speed Rail now. California's transportation system is already overtaxed and our population will reach 60 million by mid-century. High- Speed Rail is the only viable means of making sure our transportation infrastructure can meet our growing demand. Continuing to build more and more freeways

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and airports would be more expensive, more environmentally damaging and less efficient for moving millions more Californians up and down our state.

High-Speed Rail is proving tremendously successful around the world. In Europe and Asia, it is proving to be the mode of choice along corridors with population centers 100 to 500 miles apart, precisely the type of corridor that California's High-Speed Rail will serve. California, both geographically and economically, is practically designed for High-Speed Rail.

Without High-Speed Rail, we would face a loss of economic productivity because of longer commutes, a poorer quality of life from ever greater traffic delays, and poorer air quality because instead of removing cars from the road, we will be adding more.
We can, and must do this now. California Building Trades workers are proud to be given the opportunity to work on this infrastructure project that we believe will serve the public for decades, if not a century and beyond, as have the Golden Gate Bridge and the Hoover Dam.

Sincerely,

Barry Frain
President
Con J Franke Electric

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License # 288366

May 25th, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and HazardousMaterials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

The California High Speed Rail will inject tens of thousands of good, family supporting jobs to our state and most importantly to our valley. These jobs are essential for our economy as they impact local businesses, development and educational opportunities. Population growth is expected and we need to expand the infrastructure to accommodate for the growth. The California High Speed Rail is an alternative transportation that meets the future growth and demand for access throughout our state.

Respectfully,

Jose Rodriguez
Board Trustee
Madera Unified School District
[redacted]



May 28, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

RE: CALIFORNIA HIGH SPEED RAIL PROJECT

Dear Chairman Denham and Ranking Member Brown:

We can't afford not to build high speed rail now. California needs it and the Central Valley desperately need it. In California, we have $100 billion in unmet transportation needs. HSR will halve that need simply by creating another option for travel. It is a perfect mode of intermediate distance travel that we lack. Projects are coming in well below estimates. It is also a non-fossil fuel option that we don't have now. It will (according to Congressman Bill Shuster) reduce demand for fossil fuel. It will reduce air pollution. It will relieve traffic congestion on our highways and airports. ***There is no good reason not to fund the project.***

California will build this project and the federal govt. should do its part as it has always done with large infrastructure projects. We can and should quadruple transportation funding. Even with this increase, the transportation budget would be less than 1/5 of our military spending. Our transportation infrastructure is woefully outdated and falling apart. We need a modern transportation system now.

Why Congress is willing to spend huge amounts of our tax dollars on military spending but won't adequately fund transportation and infrastructure projects is a national disgrace.

Respectfully,

Edward J. McIntyre
Owner

LANDMARK
REAL ESTATE
405 North 'I' Street, Suite B • Madera, California 93637 • (559) 662-2002

May 23, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

RE: CALIFORNIA HIGH SPEED RAIL PROJECT

Dear Chairman Denham and Ranking Member Brown:

I'm writing to express my strong support for the California High Speed Rail project. I was a member of the original California High Speed Rail Task Force tasked with determining the feasibility of high speed rail in California. We determined that California was well suited for true high speed rail and recommended moving forward with the project. The legislature accepted our findings and over 20 years later we are set to begin construction.

Congress should help California expedite this project. There are billions of dollars already appropriated solely for high speed rail that remain unspent. The administration has expressed a willingness to further fund high speed rail projects in the U.S. and California is in a position to receive funding and put it on the ground now. Construction costs are favorable as major transportation projects are being built for 80% of estimates. Californians have consistently supported high speed rail and voted to spend $9 billion toward a statewide system. No other state has made such a committement.

High speed rail is an integral component of a modern transportation network. For distances ranging from 150 to 500 miles, it is more efficient than auto or air travel. In California, it is the missing piece of a modern and efficient transportation network. California should build it now. We can't wait any longer.

Respectfully,

Jess Lopez
Madera County Supervisor, Ret.
[redacted]

May 24, 2013

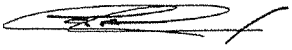
The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and
Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

The California High Speed Rail project is the missing component to our current transportation infrastructure. I am a staunch supporter of the project for the indisputable benefits and opportunities that it provides. The connectivity that it offers will greatly enhance educational opportunities which will improve the skilled labor base across California. Our region suffers from connectivity in many respects. High speed rail will close the gap by creating reasonable access to and from resources in the Bay Area and southern California.

Respectfully,



Ricardo Arredondo
Board President
Madera Unified School District
[redacted]

MERCED COUNTY

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

As a Merced County Supervisor I have been involved in the High Speed Rail project for over five years. Much of the approved alignment traverses my supervisorial district. More of the district I represent will be impacted by the selection of the "wye" alignment.

The Modesto Bee recently published an article I wrote on the project. I respectfully request you place that column in the record of your committee's hearing. Clearly, the California High Speed Rail committee has gone the extra mile in the last two years to address the concerns of the communities it impacts.

California, and the valley, disparately need the jobs the project will create. Let's move forward and begin to realize the significant economic improvement this project will bring to our valley.

Sincerely,

John Pedrozo
Merced County Supervisor

Board of Supervisors

John Pedrozo
Supervisor, District One

Hubert "Hub" Walsh, Jr.
Supervisor, District Two

Linn Davis
Supervisor, District Three

Deidre F. Kelsey
Supervisor, District Four

Jerry O'Banion
Supervisor, District Five

James L. Brown
County Executive Officer

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Print This Article
Posted on Sat, May. 11, 2013

PEDROZO: Get the facts, attend meetings and judge rail project yourself
By John Pedrozo
last updated: May 11, 2013 06:15:09 PM

As a Merced County supervisor and member of the San Joaquin Rail committee, I have attended California High-Speed Rail Authority meetings throughout the state and have worked with the authority and stakeholder groups throughout the Central Valley for more than five years.

Let's just start out with saying that I do agree with at least one of Eric Christen's statements in his May 1 commentary ("Backroom deals tarnish California's bullet train project) in The Bee: California high-speed rail is the 21st century is the vision of America's future. I think he makes a good point. High-speed rail will help take California to the next level and provide an innovative and sustainable transportation project that will benefit all Californians.

Over the years a great deal of the criticism of the authority was directed at miscommunication and a perceived arrogance that would run roughshod over local interests. Some of this criticism was valid. But in the last two years, there has been a sea change in the authority's approach to stakeholders, transparency and public responses. That change is what has allowed so much recent progress in the project.

Regarding the other accusations against the rail authority, I couldn't disagree more. The facts don't support his statements.

His comments about board meetings and media inquiries are vague and without merit.

More importantly, let's move into the larger accusations that the authority somehow bent the rules to name Tutor Saliba/Zachry/Parsons as the contractor because they wanted to select someone from California. This is ludicrous. All bidders were aware of the rules more than five months before submitting their proposals and had equal opportunity to submit a winning proposal. Further, the authority had no way of knowing who would submit proposals.

Is he arguing that a bid that is under budget and will generate thousands of jobs for Californians is a bad thing? We have some of the worst job numbers in the nation, and I know a lot of people in the community that are looking for long-term, well paying jobs. What might he say if the project bid was over budget, or that the jobs would be flooding in from out of state? Would Christen and his allies have a brand new set of objections? Or would they be celebrating the outsourcing of jobs and running over budget?

He also accuses the authority of underhanded dealings ranging from the Community Benefits Agreement, which has been approved by the Federal Railroad Administration, and announcing the bid changes. This information has been available for months on the authority's website and has been covered during Board of Directors presentations.

For someone who is entirely sure of the authority's dishonesty on every aspect of this project, Christen has not been particularly diligent about checking the facts before he makes his statements. Peppering his commentary with words like "cynic" and "coincidence" and "cronyism" does not necessarily ensure accuracy and truth-telling. It sounds like rhetoric to me.

At the end of his commentary, Christen says that all large projects like this one deserve strong leadership, good oversight and public scrutiny to ensure that they are being done is the best way possible to the least expense of the taxpayer. Once again, we are in agreement.

It's been my experience that the current authority leadership is committed to working with members of the

community to ensure that this first-of-a-kind project is done in a way that benefits all residents of the state and provides as minimum of an impact as possible. The current authority leadership has taken steps to improve communication and cooperation with all the stakeholders. This attitude of cooperation and partnership has been the hallmark of the authority's work during the past two years.

So it's on us as Californians to get the facts, attend the board of directors' meetings to see for ourselves what's going on, and learn more about this project that will benefit us with jobs, a cleaner environment and an alternative form of transportation that will keep us from having to pave over every inch of the state for our ever increasing population.

EDITOR'S NOTE

California's high-speed rail project has been discussed since the early 1990s and evolved into a bond proposal that voters approved in all 2008. Project supporters now say that by 2029, a high-speed rail system will run from San Francisco to the Los Angeles basin. There has been controversy every step of the way and it continues even as the authority is buying land and hopes to have construction begin this summer. We have run numerous commentaries, pro and con, about high-speed rail and offer two more today. The Modesto Bee's official position, in a nutshell: High-speed rail is an interesting idea, but this isn't the right time or the right plan.

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ORANGE COUNTY
BUSINESS COUNCIL

ORANGE COUNTY'S LEADING VOICE OF BUSINESS

May 24, 2013

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Denham and Ranking Member Brown:

Orange County Business Council is the leading voice of business for America's sixth largest county. OCBC's mission is to enhance the region's economic prosperity while maintaining a high quality of life. OCBC focuses on four initiatives: improving infrastructure, enhancing workforce development, increasing the supply of workforce housing and maintaining a robust economic climate. **OCBC strongly supports the California High-Speed Rail (HSR) project.**

Developing high-speed rail in California is essential for continued growth and prosperity. OCBC contends that the High-Speed Rail Authority is meeting its promise to California voters. HSR must start somewhere, and the Initial Operating Segment and strategy identified in the revised 2012 Business Plan is worth pursuing. We look forward to HSR's eventual arrival in Orange County.

Transportation infrastructure is a building block to the local and regional economy and businesses in California need mobility choices for both operations and employees. Transportation solutions like HSR help keep and attract companies to California and Orange County. Without question, HSR will provide relief to capacity challenged freeways and airports while simultaneously improving the state's network of passenger rail options. The section of HSR that travels between Los Angeles and Orange County is part of the LOSSAN corridor, the second busiest passenger rail corridor in the country. HSR will enhance the LOSSAN corridor in such a way that benefits existing commuter and freight rail services for both Southern California and the entire national goods movement network. As robust passenger rail ridership already exists, the introduction of HSR increases train ridership in the region – supporting the review of independent experts that have validated the Authority's ridership and revenue projections as reasonable and realistic.

2 Park Plaza, Suite 100, Irvine, CA 92614
(949) 476-2242 • FAX (949) 476-9240
http://www.ocbc.org

OCBC is grateful for the Congressional Sub-Committee's efforts to ensure that this ground-breaking project is undertaken in a manner that is transparent and factual and appreciate the opportunity to reaffirm our long-standing and continued support.

Sincerely,



Lucy Dunn
President and CEO
Orange County Business Council

LD:jl:bs
Cc: Bryan Starr, Senior Vice President, Government Affairs, OCBC

CALIFORNIA
High-Speed Rail Authority

July 9, 2013

BOARD MEMBERS

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The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines and Hazardous Materials
Committee on Transportation and Infrastructure
1730 Longworth House Office Building
Washington, DC 20515

Dear Chairman Denham:

Thank you again for inviting me to testify at the May 28 field hearing of the Subcommittee on Railroads, Pipelines and Hazardous Materials in Madera, California. I was pleased to have the opportunity to explain California's high-speed rail program and the many benefits it will provide. It also proved to be an excellent forum to discuss the California High-Speed Rail Authority's (Authority) recent accomplishments, as recognized by recent commentary from the Legislative Peer Review Group, the California State Auditor, and the U.S. Government Accountability Office. After reviewing the transcript of the hearing, I would like to provide the Subcommittee with some additional information requested during the proceedings, as well as noting a few grammatical corrections for the record.

Analysis of the Interstate 5 Corridor

Representative Valadao asked whether a "study" pertaining to the Authority's evaluation of the Interstate 5 (I-5) corridor had been made available to the public. I indicated that I believe it had been but would verify for the record. Indeed, all studies performed by and for the Authority pertaining to the lack of suitability of the I-5 corridor are available to the public and included on the Authority's website. These include: (1) the Authority's 2000 Business Plan[1]; (2) the Statewide Program Environmental Impact Report/Environmental Impact Statement (EIR/EIS) [2]; (3) the Revised Draft Fresno to Bakersfield EIR/EIS[3]; and, (4) the 2012 Conceptual I-5 Corridor Study, Bakersfield to San Fernando Valley[4].

These studies underscore the large amount of work done, in an open public process, to determine the best way to deliver the Central Valley backbone of the high-speed rail system. The universal conclusion of these studies, reaffirmed year after year, is that an I-5 alignment would have several negative effects including: loss of ridership and increased operating costs as the Central Valley's urban areas would have limited access to the system; sprawl inducement due to increased demand for housing along the high-speed rail corridor; and increased agricultural impacts created by the need to provide connections to the system from the major cities on the Valley's east side.

[1] http://www.hsr.ca.gov/docs/about/business_plans/BPlan_2000_FullRpt.pdf
[2] http://www.hsr.ca.gov/Programs/Environmental_Planning/EIR_EIS/index.html
[3] http://www.hsr.ca.gov/Programs/Environmental_Planning/revised_draft_fresno_bakersfield.html
[4] http://www.hsr.ca.gov/docs/brdmeetings/2012/January/brdmtg0112_agenda4_sylmar.pdf

Importantly, AB 3034, which was approved by the State Legislature and then by voters as The Safe, Reliable High-Speed Train Bond Act for the 21st Century (Proposition 1A) mandates that the high-speed rail system, "link all of the state's major population centers," including the cities of Central Valley, and specifies that the high-speed rail corridor will include, "Fresno to Bakersfield to Palmdale to Los Angeles Union Station." As you know, the Valley's cities are not located on I-5. Constructing the system on the I-5 corridor would not comply with the intent or the requirements of the legislation that you supported as a State Senator or of the proposition voters approved. Building on the I-5 corridor would also induce sprawl, as the Valley's cities would likely grow from their current boundaries westward to I-5, creating a greater impact on agricultural land and operations.

The significance of including the Central Valley in the high-speed rail program, and not bypassing it, cannot be overlooked. In many ways, the growing divide in California is between the coastal and the inland areas. Unemployment in the Central Valley is almost 50 percent higher than the state average. While coastal regions have seen major improvements in air quality, pollution continues to be a major problem in the Valley, with asthma rates growing. Furthermore, although it possesses some of the most productive and richest agricultural areas in the world, the Central Valley's counties are among the poorest in the nation. A key reason for this paradox is the Valley's lack of economic diversity. As has been the case with high-speed rail systems around the world, and even in the Northeast Corridor, tying the Central Valley with the rest of our state will provide more opportunities for Valley residents by diversifying and strengthening the region's economy.

The requirements of AB3034/Proposition 1A underscore that the intent of this investment in high-speed rail is not just to connect Los Angeles and San Francisco, but to connect all of the state's population centers. It should also be noted that air service in and out of the Valley is limited and very expensive. High-speed rail will connect Los Angeles and the Bay Area, and, very importantly, connect both of them to the Central Valley. This will create economic opportunities that the Valley has never had by tying all of our regional economies together to make our state stronger.

Cost Estimates and Task Orders

Representative Valadao also raised a question regarding statements made by Authority staff in the course of the now settled County of Madera CEQA lawsuit, which appeared to indicate cost growth for the first construction segment. Since I was not familiar with the particular material he was referencing, I promised to provide more details. I am happy to inform the Subcommittee that there was no cost growth in Construction Package 1 (CP1) and that the clerical error that led to Rep. Valadao's confusion was remedied by subsequent addenda to the Request for Proposals (RFP).

Specifically, the question referred to a statement filed by the Authority regarding the estimated cost of CP1, the 29 mile segment from Madera County to the City of Fresno. The Authority's statement clarified that the July 2012 Addendum 4 to the RFP for design-build services for CP1 included draft Task Orders that included informational-only "Estimated Value" calculations for the cost of utility relocation. These estimates were provided so that the contract bidders could have a clearer understanding of project costs when submitting their bids.

After releasing Addendum 4, Authority staff realized that, due to a clerical error, the July 2012 draft Task Orders *also* included costs for major non-utility-related high-speed rail infrastructure (i.e. overpasses and other structures). However, those non-utility-related high-speed rail infrastructure cost estimates had already been correctly included in the Authority's *total* CP1 contract cost estimate of $1.2 to $1.8 billion.

This mistake was corrected by future Addenda to the RFP so that the Authority's Task Orders with local governments and private utilities remained separate from the design-build contract RFP. All contract

bidders were made aware of the error. The final bids, including that of the selected bidder, all came in within or below the cost estimates included in the RFP, thus completely resolving this issue.

For your records, all of the Addenda to the RFP for CP1 are featured on the Authority's website for public access.

Transcript Corrections

I would also like to bring to your attention some typographical errors in the official transcript of the Hearing provided to me by the Subcommittee. These corrections are also included in the attached copy of the transcript:

- "Our business plan signaled a dramatic shift from that thinking into an approach where high-speed rail is fully integrated with other ~~inner city~~ **intercity** systems." Page 20, Lines 444-445
- "And so the plan is to tart here, we believe, this summer, building that line from about Madera ~~Farms~~ **Acres**, I think it is, down into Fresno." Page 54, Line 1126
- "We think that there are some things that could be done in ~~PRIA~~ **PRIIA** or other places that can get the private sector involved earlier." Page 97, Line 2212

Thank you again for inviting me to testify before the Subcommittee on Railroads, Pipelines and Hazardous Materials and for accepting this letter as part of the record of the hearing. I look forward to working with you in the future to deliver a high-speed rail program that benefits California and the nation.

Sincerely,

Dan Richard
Chair
Board of Directors

Enclosure

June 27, 2013

Dear Chairman Denham,

It was an honor to meet you and your wonderful team at the Subcommittee on Railroads, Pipelines and Hazardous Materials' Congressional Oversight Hearing on the California High-Speed Rail project in Madera, California on May 28, 2013. Thank you again for holding this important event in the Central Valley. It's very much appreciated!

I had never been to a congressional hearing in my life so it was an experience I will always remember. First impressions are a lasting one and I appreciate you taking the time (and not rushing) with everyone (including myself) who came up to you. Both Counsel Fred Miller and Staff Director Mike Friedberg were very nice. Your staff onsite in Madera, and at your offices in Modesto and Washington, DC has been extremely accommodating, especially your Legislative Director Bret Manley. Thank you again. Special thanks also to Congressmen David Valadao and Congressman Jim Costa for their important roles at the hearing.

There were many of us in the audience who would've loved to have had a chance to speak since everyone in the proposed California high-speed rail routes has a back story.

Our family has lived in Laton, California for 50+ years. We have also owned and farmed a 135-acre parcel of land since 1945. This "Home Place" is along the Cole Slough of the Kings River and also part of the proposed high-speed rail route.

My folks have been humanitarians. They helped Kings River Conservation District (KRCD) save the town of Laton in 1969 when our family furnished dirt to build levees to keep this "train town" from flooding.

My dad also farmed and saved the land of his neighbors, the Inouye Family in Kingsburg, California while they were interned during World War II.

We have two (2) properties in the proposed high-speed rail pathway – the aforementioned 135-acre "Home Place" and a 240 acre farm across and adjacent to HWY 43 by the Cole Slough of the Kings River.

Our land, like many others who farm and dairy in the Central Valley are rich and fertile ones, providing for those all over the world. Anytime is a busy time of year for those in farming which has made this entire experience tough for so many.

I have met many individuals in the proposed routes whose hopes and dreams for their families have also been in a holding pattern the past few years, all while the California High-Speed Rail Authority (CHSRA) continues to play games with people's lives and livelihoods by changing the true meaning of high-speed rail. They continue to make up their own set of rules along the way!

I make sure to read the latest headlines and keep up with how the biggest infrastructure project of it's kind in the great state of California is being watered down with bookends and toyed with technically...and it just doesn't make any sense. When I first officially addressed the impacts to our family farm back in October 2011, one question was our concern of a possible derailment, which would be catastrophic considering our close proximity. Since the recent selection of the least technically sound construction firm, the California High-Speed Rail Authority Board is making this possibility an almost certain reality.

I will admit the dark cloud those of us in the proposed routes have been living under the past few years has a silver lining only because I have met a wonderful group of individuals who are also adversely affected. They have become a second family to me. They are moms and dads, sons and daughters, pastors, farmers, dairymen/women, those in construction, mechanics, doctors, teachers, veterans, retirees, homeowners, small business owners and concerned citizens who sincerely care about one another,

not just themselves. They also hail from every political party! If there's one thing I've learned through this entire experience, it's that most issues are nonpartisan and those who label it otherwise are trying to divert attention away from the real matters at hand!

California's high-speed rail is a project that is not only impacting Californians today, tomorrow, next week, next month, next year and the years following, but for all future generations to come the world over! This is a project that must be done right and has not been thus far.

I am proud to be a lifelong Californian who was born and raised in the Central Valley. As someone who has traveled abroad on both light rail and speed trains, I also want to be proud of having the best this state has to offer including a high-speed train someday. The version being offered now is not what my fellow Californians voted for when they went to the polls in November 2008.

Chairman Denham, thank you in advance for making sure this testimony is part of the official Congressional Record for the Subcommittee on Railroads, Pipelines and Hazardous Materials' Congressional Oversight Hearing on California's High-Speed Rail project held in Madera, California on May 28, 2013.

Respectfully,

Shelli Andranigian
On behalf of the Andranigian Family and Andranigian Farming

[redacted]

Michael J. Brady
Attorney at Law
[redacted]

My name is Michael J. Brady. I am an attorney representing the County of Kings, John Tos, and Aaron Fukuda against the Authority, alleging that the project in the Central Valley violates Proposition 1A in 10 important respects.

Our case is scheduled for trial in Sacramento Superior Court on May 31, three days after your hearing. Many of the residents of Congressman Denham's district are involved in this struggle to preserve their family lands, farms, ranches, homes, and way of life.

The Authority currently has many "balls in the air," many issues that it is facing, matters that should have been resolved long ago, but have not been resolved. Bottom line: this project should not be allowed to start by the Federal Government; it is premature, with many things legally required to be done before construction can commence. Here is a brief summary:

1. The STB Matter: Amazingly, the Authority never even asked permission from the STB for permission to build the project – on grounds that it did not affect interstate commerce; a first year law student would have been able to figure that out! Now, they are enmeshed in STB hearings, and their motion to dismiss was denied. Hearings and filings are in full progress; nothing should be allowed to start until those hearings are completed. There are substantial issues that are historically within the purview of the STB.

2. The Federal grant agreements/contracts with the Authority state that none of YOUR (Federal) money can be given to the Authority for commencement of construction UNLESS AND UNTIL the Authority obtains written consent from existing railroads to use their rights of way or encroach upon their existing rights of way. THIS HAS NOT BEEN DONE, even though the Authority is telling people that construction will start in a few weeks! And it will start, according to the Authority, with YOUR FEDERAL MONEY. Has the law been violated or is it about to be violated? Union Pacific Railroad is concerned. They just intervened in a "bond validation" suit brought by the Authority. UPRR says that it has NEVER been presented with a written proposal or contract providing for use of UPRR's rights of way, despite literally years when this could have been done. This is scandalous mismanagement. Imagine the millions of acres of land controlled by this railroad, with complicated geographical, urban, and rural areas traversed. Any contract would be complex and require months of negotiations. Yet, according to UPRR , nothing has been done to finalize anything. UPRR is very concerned that this project will severely (their word) affect its freight service and the ability to serve its customers. Burlington Northern RR is also very unhappy with the Authority for failing to communicate with it. UPRR says, as we do, that commencement of the project construction would be PREMATURE. This is a serious issue and directly affects FEDERAL INTERESTS and Federal money.

3. There is the bidding scandal that has recently erupted. This WILL be investigated. It could result in the Authority's having to go back to scratch with the bids. There is great unhappiness with the bidder who was selected, given its reputation in the construction industry for cost overruns. Federal interests/Federal money are at stake. Another reason why commencement of constructing would be premature.

4. There are serious Federal and State environmental requirements that have not been completed. This project should not be commenced until all legally required environmental approvals have been completed.

5. There are huge questions about the adequacy of financing: did you know that five years after Proposition 1A was approved, not one single private investor has expressed interest in the project? Why? Because it is a financial loser, destined to lose money. And did you know that Proposition 1A EXPRESSLY STATES THAT NO SUBSIDY FOR OPERATING COSTS CAN BE PROVIDED BY THE STATE OR FEDERAL GOVERNMENT!? This means that no private money will EVER arrive, and yet the Authority has announced for years that as much as 17% of the costs of the project will come from the private sector. So much for truth in advertising! Stated succinctly, this project is CURRENTLY 80% short of the $31 billion it MUST HAVE under State law before being allowed to start. If it is allowed to start spending Federal money first (exactly what they plan to do) YOUR MONEY is at grave risk, and the project will face certain risks of non-completion and abandonment with the serious collateral damages associated with non completion in urban and rural areas. The Federal Government can very legitimately announce that until this financing issue is cured, Federal money will not be put at risk, and that it would be premature to allow the project to start until these problems are fixed.

Conclusion: This project is supposed to be a partnership between State and Federal governments. State law must therefore be observed and should be respected by the Federal Government. This makes practical sense as well, lest Federal money be jeopardized unnecessarily. We hope that your committee will reach the conclusion that there are simply too many serious unresolved issues to allow this project to proceed at the present time.

Michael J. Brady
Attorney for Plaintiffs
County of Kings v. Cal. High Speed Rail Authority

community coalition on high speed rail

Statement on Behalf of the Community Coalition on High-Speed Rail
Prepared for The House Committee on Transportation and Infrastructure
Subcommittee on Railroads, Pipelines and Hazardous Materials
Madera Community College Center, Madera, California

Tuesday, May 28, 2013

May 23, 2013

Chairman Denham and Members:

The Community Coalition on High Speed Rail (CC-HSR) is a grassroots, non-profit corporation that has been working since 2009 to make sure that the proposed California High-Speed Train project does not adversely affect the economy, environment, or quality of life of California's existing communities.

CC-HSR is deeply grateful for the Subcommittee's willingness to examine the status of the California High-Speed Rail project. CC-HSR representatives are planning to be in attendance at the oversight field hearing that the Subcommittee has scheduled in Madera, California on May 28, 2013. A great deal of oversight is absolutely required!

As the project is currently proceeding, over $6 billion dollars of federal and state funds are going to be wasted -- and worse than wasted. The short section of non-electrified track scheduled for construction will probably never connect up with population centers in Northern and Southern California. Simply put, no one has been able to identify the approximately $100 billion dollars needed to complete a true high-speed train system. The present project will result in a non-electrified set of train tracks that will not even serve as a "test case" for high-speed rail.

Worse, the construction proposed is on a routing that will have profoundly adverse impacts on California's productive agricultural lands, disrupting farming operations on hundreds of farms, and on some of the best agricultural lands in the world.

Worse, the project currently proposed will be a step backwards, not a step ahead, for rail transportation in California's Central Valley. This is because the new track proposed will bypass communities where there are currently Amtrak stations, without providing any replacement stations, so that Amtrak service on the new route will actually be less functional than on the existing train track. This will mean a diminished ridership, and reduced access to rail transportation for Central Valley residents and businesses.

CC-HSR and other concerned California residents have urged the federal Surface Transportation Board to do a full study of what will really happen if the current project proceeds. We urge the United States Congress to use all the powers at its disposal to prevent the fiscal and economic and rail transportation debacle that is going to result from the current plans of the California High-Speed Rail Authority.

CC-HSR provides information on its website that demonstrates the economic and fiscal deficiencies of the project as proposed.

CC-HSR has submitted extensive materials to the Surface Transportation Board demonstrating the proposed project's inconsistency with the National Rail Goals and the massively adverse environmental impacts of the proposed project.

CC-HSR is willing and able to respond to questions and information requests from the Subcommittee and its staff. We want to reiterate our great appreciation for the Subcommittee's examination of the current project. We are hopeful that the Subcommittee's efforts can derail a runaway project before it does incalculable damage to the economy of the Central Valley and its productive agricultural businesses, and before over $6 billion of public funds are wasted on a project that will not even come close to producing any actual high-speed train transportation.

Respectfully Submitted,



James R. Janz, President
CC-HSR Board of Directors

For more information about the Community Coalition on High-Speed Rail please visit the CC-HSR website: www.cc-hsr.org. You may also contact CC-HSR by mail at 2995 Woodside Road #400-362, Woodside, CA 94062.

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May 28, 2013

By Electronic Mail

The Honorable Jeff Denham
Chairman
Subcommittee on Railroads, Pipelines and Hazardous Materials
Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Corrine Brown
Ranking Member
Subcommittee on Railroads, Pipelines and Hazardous Materials
Committee on Transportation and Infrastructure
2165 Rayburn House Office Building
Washington, DC 20515

RE: Statement for May 28 Field Hearing on California High Speed Rail

Dear Chairman Denham and Ranking Member Brown:

Thank you for the opportunity to submit a letter for the record regarding the California High Speed Rail Project.

Associated Builders and Contractors (ABC) is a national trade association representing 22,000 members from more than 19,000 construction and industry-related firms. Founded on the merit shop philosophy, ABC helps members win work and deliver that work safely, ethically and profitably for the betterment of the communities in which they work.

ABC California, comprised of five local ABC California chapters as part of 72 ABC chapters nationwide, encourages government officials to procure public works through fair and open competition by ensuring a level playing field for all qualified contractors and their skilled employees, regardless of whether they belong to a union. Experience demonstrates this approach helps government agencies provide taxpayers with the best possible construction product at the best possible price. ABC California's craft and apprentice training programs are recognized by the California Department of Industrial Relations and cover a wide variety of skilled trades including: electrical, plumbing, sheet metal, HVAC, painters, laborers, carpenters, heavy equipment operators, mobile crane and welding.

The merit shop contracting community is troubled by a project labor agreement (PLA) the California High-Speed Rail Authority (HSRA) has mandated[1] on the California High-Speed Rail project. The HSRA calls this agreement a Community Benefits Agreement (CBA), but it contains the same anti-competitive and costly terms as most PLAs[2] and it will not benefit the majority of California's construction industry.

ABC California believes in increasing opportunities for all workers regardless of their affiliation. The CBA/PLA seriously limits California workers, like the nearly 1,000 students that are currently enrolled in ABC's apprenticeship programs, from working on this project because the definition of apprentice in Section 1.2 only recognizes apprentices registered and participating in Joint Labor/Management Apprenticeship Programs as opposed to all state approved apprenticeship programs.

ABC is opposed to government-mandated PLAs because these agreements typically restrict competition,[3] increase costs,[4] cause delays,[5] discriminate against nonunion employees and place merit shop contractors at a significant competitive disadvantage.[6] Typical government-mandated PLAs are nothing more than anti-competitive schemes that end open and fair bidding on taxpayer-funded projects. PLAs should never be *mandated*; instead, a contractor may *voluntarily* adopt a PLA if the firm believes it would help promote the economy and efficiency in which a construction project is delivered to a government agency.[7]

The HSRA has imposed a PLA on the five prime contractors prequalified to submit a technical proposal and price proposal as part of the second phase of the project's two-phase best value procurement process. A number of qualified and experienced firms would be interested in working as subcontractors for these short-listed prime contractors, if not for the PLA they are required to sign by the HSRA.

The following provisions in the HSRA PLA are particularly objectionable to nonunion companies and their employees, and will restrict competition, increase costs, and may violate federal contracting rules and regulations.

1. Section 7.1 and Section 7.2 require nonunion companies to obtain most or all of their employees from union hiring halls. The agreement prohibits firms from using most of their existing workforce. Section 7.1.2A allows nonunion contractors to use a maximum of five members of their existing core workforce. The rest of their workforce for this project must be hired from the appropriate union hiring hall. This provision is problematic because firms can't use most of their trained, productive employees. In addition, it provides unions with the opportunity to dispatch "salts" with conflicts of interest to nonunion companies. Unfamiliar union workers may be of unknown quality and may delay time- and cost-sensitive construction schedules that add uncertainty to the ability of a contractor to deliver a quality, on-time and on-budget construction product to the HSRA.

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[1] See Section "*10.1 Key Prerequisites to Award*: The Authority will not make a recommendation for award of the Contract unless the successful selected Proposer has submitted the following:...A letter of assent executed by the Proposer agreeing to be bound by the Community Benefits Agreement." http://www.cahighspeedrail.ca.gov/assets/0/443/549/551/84634b9d-e593-4a66-bb25-01ba79f9f3ac.pdf

[2] The project's 12/26/12 Community Benefit Agreement/Project Labor Agreement is available here: http://www.cahighspeedrail.ca.gov/assets/0/443/545/546/1f1e2054-a2a1-4308-928f-71d44c504612.pdf

[3] See *More Evidence Shows Project Labor Agreements Injure Competition*. TheTruthAboutPLAs.com, 1/20/11.

[4] See *Measuring the Cost of Project Labor Agreements on School Construction in California* (Vince Vasquez, Dr. Dale Glaser and W. Erik Bruvold; 2011) and Tuerck, Bachmann and Glassman, *Union-Only Project Labor Agreements On Federal Construction Projects: A Costly Solution in Search of a Problem*, (Beacon Hill Institute at Suffolk University) August, 2009, at 36, available at www.abc.org/plastudies and www.thetruthaboutplas.com/tag/anti-pla-mandate-study.

[5] See *Report Documents Construction Delays on PLA Projects*. TheTruthAboutPLAs.com, 4/11/11.

[6] See *Get The Truth*. TheTruthAboutPLAs.com, 5/28/13

[7] PLAs are authorized under the National Labor Relations Act (NLRA), 29 U.S.C. §§ 151-169. Sections 8(e) and (f) of the NLRA, 29 U.S.C. §§ 158(e) and (f) make special exceptions from other requirements of the NLRA in order to permit employers and unions in the construction industry to enter into PLAs. The NLRA permits firms to voluntarily enter into PLAs at any time.

2. Section 6.2 requires the few nonunion employees allowed on the project to pay nonrefundable union dues and/or fees to the union as a condition of working on the PLA project, even though they have decided to work for a nonunion employer.[8]

3. Section 6.1 requires unions to be the exclusive bargaining representative for workers during the life of the project. When agreeing to participate in a PLA project, the decision to agree to union representation is made by the employer (through the act of agreeing to the PLA by signing a letter of assent) rather than the employees.[9] Construction employees often argue that forced union representation—even for one project—is an infringement of their workplace rights and runs contrary to their intentional decision not to join a union.

4. Section 2.3 and Section 3.1 require contractors to follow union work rules, which changes the way they otherwise would assign employees to specific job tasks—requiring contractors to abandon an efficient labor utilization practice called "multiskilling" and instead assign work based on inefficient and archaic union craft jurisdictional boundaries that increase labor costs. Open shop contractors achieve significant labor cost savings through multiskilling, in which workers possess a range of skills that are appropriate for more than one work process and are used flexibly across multiple trades on a project or within an organization. This practice has tremendous labor productivity advantages for contractors, but it is forbidden by typical union work rules and, by extension, PLAs.[10]

5. Section 8.1, Section 8.2 and Section 3.3 require nonunion companies to pay their existing nonunion employees' and new union workers' health and welfare benefits to union trust funds and be bound by their plan rules, even though these companies have their own benefits plans. Existing nonunion employees cannot access any of their union benefits accrued during the life of the PLA project unless they decide to leave their nonunion employer, join a union and remain with the union until vested.[11] Few nonunion employees will join a union after working on a PLA project, so in order to ensure nonunion employees have retirement and benefits plans that actually help their employees, companies pay benefits twice: once to the union plans and once to the existing company plan. Nonunion contractors have to factor this double benefit cost into their bid, which needlessly increases costs and puts them at a competitive disadvantage against union contractors that are not saddled with these unnecessary costs. In addition, paying into underfunded and mismanaged union-affiliated multi-employer pension plans may expose merit shop contractors to massive pension withdrawal liabilities. Depending on the health of a union-managed multi-employer pension plan, signing a PLA could bankrupt a contractor or prevent it from qualifying for construction bonds needed to build future projects for other clients.[12]

Without these anti-competitive and discriminatory provisions that discourage otherwise qualified contractors from competing for public projects, unions rarely agree to concessions regarding labor peace, work schedules and other provisions that are the cornerstones of the alleged benefits of a PLA. PLA proponents require these provisions because

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[8] The legality of clauses in typical PLAs that require compulsory union membership and payment of union dues and fees to unions by workers in order to work on a PLA project depend on the state's Right to Work law status and the wording of the PLA. See *Understanding PLAs in Right to Work States* TheTruthAboutPLAs.com, 7/20/09. California is not a Right to Work state so workers can be forced to join a union as a condition of employment.

[9] Workers normally are permitted to choose union representation through a card check process or a federally supervised private ballot election. PLAs are called pre-hire agreements because they can be negotiated before the contractor hires any workers or employees vote on union representation. The National Labor Relations Act generally prohibits pre-hire agreements, but an exception in the act allows for these agreements only in the construction industry. In short, PLAs strip away the opportunity for construction workers to choose a federally supervised private ballot election or a card check process when deciding whether union representation is right for them.

[10] See *Understanding the Merit Shop Contractor Cost Advantage*. TheTruthAboutPLAs.com, 5/17/10.

[11] An October 2009 report by Dr. John R. McGowan, *The Discriminatory Impact of Union Fringe Benefit Requirements on Nonunion Workers Under Government-Mandated Project Labor Agreements*, finds that employees of nonunion contractors that are forced to perform under government-mandated PLAs suffer a reduction in their take-home pay that is conservatively estimated at 20 percent. PLAs force employers to pay employee benefits into union-managed funds, but employees will never see the benefits of the employer contributions unless they join a union and become vested in these plans. Employers that offer their own benefits, including health and pension plans, often continue to pay for existing programs as well as into union programs under a PLA. The McGowan report found that nonunion contractors are forced to pay in excess of 25 percent in benefit costs above and beyond existing prevailing wage laws as a result of "double payment" of benefit costs. See *New Report Finds PLA Pension Requirements Steal From Employee Paychecks, Harm Employers and Taxpayers*. TheTruthAboutPLAs.com, 10/24/09.

[12] See *The Dismal Future of Construction Industry Multi-Employer Pension Plans*. TheTruthAboutPLAs.com, 4/23/12.

they are crucial to reducing competition and ensuring union contractors have an unfair advantage over nonunion contractors, and union tradespeople enjoy a virtual monopoly building taxpayer-funded projects.

ABC California is concerned the terms and conditions of this PLA will discourage competition from qualified contractors and their existing skilled workforces. The Bureau of Labor Statistics' (BLS) most recent report indicates 86 percent of the U.S. private construction industry workforce does not belong to a union.[13] In California, just 15.9 percent of the private construction workforce belongs to a union.[14] However, many ABC members in California and across the country employ union tradespeople, utilize unionized subcontractors and work harmoniously with union tradespeople on jobsites without the need for a PLA mandate.

By mandating this PLA, the HSRA has shown favoritism toward a narrow class of unionized contractors supportive of PLAs at the expense of both union[15] and nonunion contractors opposed to government-mandated PLAs. This needless discrimination may not meet federal rules requiring "full and open competition" for federally assisted projects, as this PLA deters a particular class of bidders (i.e., union and nonunion contractor bidders harmed by the PLA) from participating in the bid process for reasons unrelated to their ability to competently complete the substantive work of the project.

In addition, I urge the committee to closely review additional provisions in the PLA related to local hiring and small and disadvantaged business utilizations goals that may violate federal contracting regulations and can be achieved without a PLA.[16]

Even if the PLA passes legal muster, it remains bad public policy. It will not improve the economy and efficiency in federally assisted contracting, it violates the spirit of fair and open competition in government contracting, and it will increase costs.

In a September 2009 study, the Beacon Hill Institute (BHI) predicted government-mandated PLAs would add 12 percent to 18 percent in construction costs to federal projects subjected to PLA requirements without providing corresponding benefits to taxpayers or construction owners. To determine this cost increase, BHI used the results of three previous studies measuring the effect government-mandated PLAs had on school construction projects subject to prevailing wage laws in Massachusetts, Connecticut and New York.[17]

BHI's findings have been corroborated by both empirical and anecdotal evidence. For example, in 2011 the National University System Institute for Policy Research released a study that found California school construction projects built using PLAs experienced increased costs of 13 percent to 15 percent, or $28.90 to $32.49 per square foot, compared to projects that did not use a PLA.[18]

Recent bid results of a U.S. Department of Labor Job Corps Center in Manchester, New Hampshire, demonstrate how government-mandated PLAs reduce competition and increase costs on projects funded by federal tax dollars. When the Job Corps Center's PLA requirement was removed due to litigation and the project was rebid without a PLA mandate, the number of pre-qualified companies bidding on the project increased threefold and the low bidder submitted an offer

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[13] See *Union Members Summary*, BLS.gov, 1/27/12.

[14] The *Union Membership and Coverage Database*, available at www.unionstats.com, is an online data resource providing private and public sector labor union membership, coverage and density estimates compiled from the Current Population Survey (CPS), a monthly household survey, using BLS methods. The database, constructed by Barry Hirsch (Andrew Young School of Policy Studies, Georgia State University) and David Macpherson (Department of Economics, Trinity University), is updated annually. The most recent data lists the union membership of the private construction workforce.

[15] See *Government-Mandated Project Labor Agreements Harm Union Contractors and Tradespeople*, TheTruthAboutPLAs.com, 8/24/11.

[16] See *Analysis of the Phony Community Benefits and Other Provisions in the Union Project Labor Agreement for the First Segment of California's High-Speed Rail*, LaborIssuesSolutions.com, 1/11/13.

[17] *See* Tuerck, Glassman and Bachmann, *Union-Only Project Labor Agreements on Federal Construction Projects: A Costly Solution In Search of a Problem*, (August 2009), available at *New Study Calls Federal Project Labor Agreements a Costly Solution in Search of a Problem*, 9/24/09.

[18] See *Measuring the Cost of Project Labor Agreements on School Construction in California* (Vince Vasquez, Dr. Dale Glaser, and W. Erik Bruvold; 2011).

that was approximately 16.5 percent less than the lowest bid submitted when the project was subject to a PLA mandate.[19]

ABC appreciates the opportunity to share its perspective on government-mandated PLAs. We believe these anti-competitive and costly agreements should not be mandated on the California High Speed Rail project and other federally assisted construction projects across the United States. We encourage the subcommittee to investigate this troubling scheme and direct the California HSRA to proceed in the spirit of fair and open competition. Doing so will ensure the wise use of federal dollars and help the California HSRA provide taxpayers with the best possible construction product at the best possible price.

Sincerely,

Josh Nagel
ABC of California President

cc: ABC California Chapters

Members of Subcommittee on Railroads, Pipelines, and Hazardous Materials

[19] See *Taxpayers Will Not Benefit from Federal Project Labor Agreement Law*, Hanjesian and Cargo Counsel, TheTruthAboutPLAs.com, 4/24/13.

6-27-2013

Congressman Jeff Denham, CA-10
1730 Longworth HOB
Washington, DC 20515

Dear Congressman Denham,

Bakersfield citizens will suffer more extensive, widespread and severe impacts than any other community in the high speed rail project's proposed path.

All currently available sources of funding including American Recovery and Reinvestment Act, Federal Railroad Administration and proposed state bond sales will not be sufficient to construct the high speed rail project into Bakersfield. The High Speed Rail Authority has acknowledged the fact that funds will be exhausted for what has turned into "a new Amtrak rail corridor" far north of Bakersfield between the communities of Shafter and Wasco. There is no detailed funding plan to complete the proposed corridor from the Shafter area into Bakersfield. Additional funding for the project is uncertain at best and the possibility that funds may never materialize to complete the project into Bakersfield is extremely high.

Environmental studies for the three proposed rail alignment alternatives in Bakersfield are in many cases only feet apart from each other. They are not true alternatives because all three will cause similar extensive and severe impacts to the city of Bakersfield. All three of the alternative alignments include 12 to 15 miles of elevated rail viaduct as high as 96 feet with an elevated station planned to be constructed over the top and through the center of the city. The Bakersfield environmental study abruptly ends dangling 60 feet above Oswell Street in east Bakersfield. Imagine the loud roar and clakity-clack noise of diesel powered Amtrak trains traveling high above your city and neighborhoods in the name of progress.

All three of the elevated alignment alternatives will unnecessarily impact the property values and quality of life of untold thousands of Bakersfield citizens who live, work and play within sight and sound distance of the poorly planned elevated train route. Environmental studies of less destructive, true alternative rail alignments in the Bakersfield area have not been evaluated. For example, a peripheral rail alignment and station located in close proximity, but outside metropolitan Bakersfield may cost much less to construct and cause far less extensive impacts.

If the Authority certifies a preferred alignment for unfunded portions of the project from an undetermined nut orchard somewhere between Wasco and Shafter continuing south, over the top and through the center of Bakersfield, all property values located within that alignment will immediately be destroyed and all properties located within sight and sound distance of the proposed elevated alignment in Bakersfield will be severely devalued. According to statistics found in Appendix 3.12-C of the High Speed Train Project's Revised Draft Environmental Impact Report and Supplemental Study documents, 31,719 residents were located within half a mile of the alignment alternatives in Bakersfield in year 2000. Those statistics are not current, so the impacted resident figure is undoubtedly much higher today. The Authority will not reimburse property owners for "south of the tracks" devaluations caused by their poorly planned alignment.

All properties located where no environmental studies have been conducted from Oswell Street, east toward the Tehachapi Mountains will also suffer immediate and severe property devaluations. Thousands of property devaluations in the metropolitan Bakersfield area will severely diminish local property tax revenues. **If the Authority certifies a preferred alignment for unfunded portions of the project, Kern County corporate and small business entities, Bakersfield city assets, private property owners and property tax revenues will unnecessarily suffer for a poorly planned rail alignment that in all probability will never be funded or constructed.**

Statistics provided by the Bakersfield Planning Department show that city facilities impacted by the alignment alternatives include the South Mill Creek Project, Westside Parkway, Corporation Yard, Convention Center/Rabobank parking, Communications/Police Building, City Hall South parking lot, street closures/permanent and temporary and major road grade separations including West Beltway, Kratzmeyer, Renfro and Jenkins roads.

Bakersfield community impacts include Bakersfield High School, Mercy Hospital, Bakersfield Commons mixed use project, Bakersfield Homeless Shelter, as many as 8 Churches and a Christian School. 186 to 272 homes will be destroyed displacing 569 - 833 residents and 135 to 302 business locations will be destroyed affecting 1,040 - 1,521 jobs. The train station will destroy between 6 and 22 business locations, affecting 174 - 229 jobs.

The Bakersfield Planning Department's statistics for unresolved environmental issues include air quality, noise, vibration, traffic and transportation network, socioeconomic/environmental justice, land use compatibility, aesthetics / visual, lack of specific mitigation, absence of viable route alternatives, cumulative impacts and impacts diluted by having two separate EIR's a\beginning and ending at Oswell Street dividing the city

Paramount Farms has a huge Industrial Complex on 7th Standard Road and Santa Fe Way that will be reduced by one third by the proposed alignment impacting an unknown number of jobs and taxable revenue. Occidental Petroleum owns several producing oil wells north of Bakersfield that will be impacted. It is unknown how much taxable revenue will be lost, but it will be significant.

In response to the widespread and severe negative impacts the high speed rail project will cause Bakersfield and other Kern County communities, the cities of Bakersfield, Wasco and Taft as well as the Kern County Board of Supervisors adopted Resolutions of Opposition to the high speed rail project. If the Authority certifies the unfunded portions of the project, the widespread and severe impacts caused by that irresponsible act will make imminent numerous corporate and local government agency lawsuits.

Months ago, Bakersfield city management made a very reasonable request to the High-Speed Rail Authority. It was pointed out that all possible sources of available funding for the project will run out far north of Bakersfield and that future funding for the project was speculative. City Manager Alan Tandy proposed that the rail authority take a timeout before certifying unfunded

portions of the project in the Shafter and Wasco area, south into Bakersfield and work together to plan a less destructive alignment in the greater Bakersfield area. To date, the Authority has not certified any rail alignment south of Fresno. Time will tell if the Authority intends to honor Bakersfield City Management's common sense request.

All San Joaquin Valley communities, "especially Bakersfield" will suffer unacceptable destruction if the High Speed Rail Authority certifies a preferred rail alignment and station location from the three current alternatives. The entire state of California will pay an unacceptably high price for a new Amtrak corridor that will divert billions of dollars away from funding water projects, new road infrastructure and maintenance. California Legislators have already diverted hundreds of millions of dollars annually from semi-truck road fees, "that were intended to pay for road repair" to pay a year or two of the 35-year term debt service Californian's will be obligated to pay if the state is actually able to sell high speed rail construction bonds to reckless investors.

Respectfully Submitted,

Jeff Taylor
[redacted]